

THE GLOBAL NEWSPAPER
Printed Simultaneously in
Paris, London, Zurich,
Hong Kong and Singapore

Herald Tribune

Published With The New York Times and The Washington Post

ESTABLISHED 1887

No. 31,073

PARIS, MONDAY, JANUARY 17, 1983

Behind the Rostow Dismissal: A Faulty U.S.-Soviet Missile 'Agreement'

By Bernard Gwertzman
New York Times Service
WASHINGTON — Senior Reagan administration officials say that U.S. and Soviet negotiators worked out an informal agreement last July on limiting each side's medium-range missiles in Europe, but that the accord was rejected by both Washington and Moscow.

The private, informal agreement by Paul H. Nitze and Yuri A. Kvitinsky in Geneva led to a White House rebuke of Eugene V. Rostow, until last week the director of the Arms Control and Disarmament Agency, according to the officials. A senior State Department official said the agreement was faulty.

Mr. Rostow was admonished by William F. Clark, the national security adviser, in a memo to Secretary of State George P. Shultz, for exceeding his authority in both the Geneva compromise and in a private meeting he held in Vienna with the head of the Soviet delegation to the East-West talks on reducing conventional forces, that session, new Soviet ideas were offered.

The two episodes have been cited by Mr. Rostow's supporters and critics alike as part of the reason he was dismissed Wednesday on orders of President Ronald Reagan.

In interviews in recent days with senior officials of the White House, the arms control agency and the State Department, the following chain of events was disclosed.

Mr. Nitze, who Mr. Reagan said Friday retains his confidence as the chief negotiator in seeking limits on medium-range missiles in Europe, let it be known privately as early as last summer that he believed the United States should explore ways of seeking a compromise with the Soviet Union, even if it meant abandoning Mr. Reagan's "zero-zero" solution.

Mr. Reagan proposed in 1981 that the United States would forgo deployment of 572 new cruise and Pershing-2 missiles late this year if the Soviet Union dismantled its approximately 340 SS-20 missiles, each of which carries three warheads.

The Russians officially proposed curtailing their force to 300 missiles if

the United States dropped the plans for the new missiles. More recently, Yuri V. Andropov, the Soviet leader, proposed reducing the force in Europe.

In July, senior officials said, Mr. Nitze and Mr. Kvitinsky, in private sessions away from the negotiating table, discussed a compromise. Mr. Nitze was working on the assumption that his negotiating instructions permitted him to probe for changes in the other side's position, but some State Department officials said he went too far.

Mr. Rostow, on a trip to Europe, conferred with Mr. Nitze; both agreed that the zero-zero approach was not working and that Mr. Nitze should explore other alternatives. The result was a joint agreement in which the two sides would agree that the number of Soviet missiles be sharply reduced. Officials would not provide exact details, but they said the total was between 50 and 100.

Some Pershing and cruise missiles be deployed, but not as many as the total planned by the North Atlantic Treaty Organization

— 108 Pershings and 464 cruise missiles. Mr. Nitze and Mr. Kvitinsky agreed that their outline accord could provide the basis for a more formal agreement but that both were working without the authority of their governments.

Mr. Rostow then went to Vienna to confer with Richard F. Staar, the chief negotiator at the conventional forces talks, who was also dismissed last week. An aide to Mr. Rostow said that Valerian V. Mikhailov, the Soviet representative to the talks, insisted on a meeting with Mr. Rostow. At lunch, attended also by Mr. Staar, Mr. Mikhailov surprised the Americans, a participant said, by offering what he said were "private" thoughts on resolving differences.

According to the official, Mr. Rostow said he was not an expert on the matter and assigned an aide to work out with Mr. Mikhailov a written version of these "private" ideas. The details were not disclosed.

As the result of the talks being held in Geneva by Mr. Nitze with Mr. Kvitinsky and of the new ideas as offered by Mr. Mikhailov, Mr.

Rostow began to wonder, his aides said, whether the Soviet Union was about to seek agreements across the board.

Because of the delicacy of the matter, Mr. Rostow did not cable Washington with information on the developments. No senior U.S. official learned of what was happening before Mr. Rostow returned from Europe in late July, officials said.

Mr. Rostow then told Mr. Shultz and Mr. Clark of the developments. State Department officials said arms control experts were startled by what they regarded as Mr. Rostow's free-wheeling attitude.

A senior State Department official said: "A mythology may be created in Europe about all this, that somehow Rostow and Nitze negotiated a breakthrough that Neanderthals in Washington blocked." The official insisted that the agreement was "very faulty" and would never have been approved.

A Rostow aide said, however, that it was "a good outline" that was rejected by the Russians be-

cause it was so favorable to the Western position.

A senior White House official said that Mr. Rostow, when he was first hired by Mr. Reagan, was told by Richard V. Allen, then the president's national security adviser, that he would have direct access to the president and would not have to work through the secretary of state, then Alexander M. Haig Jr. This produced considerable irritation on the part of Mr. Haig, who noted that the arms control agency's statutes require the agency director to work "under the direction" of the secretary of state, officials said.

Some State Department and arms control agency officials said they were still curious about what went on in Moscow. They said that they found it inconceivable that Mr. Kvitinsky could have done what he did without authority; that the switched signals may have reflected disagreement in the Kremlin in the last months of Leonid I. Brezhnev's life.

Mr. Clark, unhappy with the developments in July, sent a memo to Mr. Shultz asking him to take

firmer control of the arms control field and criticizing Mr. Rostow and Mr. Nitze, at least indirectly. Mr. Rostow's aides said that Mr. Rostow and Mr. Shultz discussed the memo and Mr. Rostow explained his side of what had happened.

State Department officials said that Mr. Shultz was unhappy with way the arms control negotiations were being managed, although he recognized that an experienced negotiator should have flexibility to probe the other side's position.

State Department and White House officials said that the episodes contributed to Mr. Rostow's removal, but that, in recent weeks, the controversy over Mr. Rostow's insistence that his aide, Robert T. Grey, be confirmed over the objection of Senate conservatives began to lead the White House to seek a new agency director.

There is considerable speculation about Mr. Nitze's future. He has declined, through an aide, to discuss the matter publicly. Some officials close to Mr. Rostow predicted that Mr. Nitze would resign



Eugene V. Rostow

in a few months if there was no accord soon.

But some State Department officials say Mr. Nitze is a veteran negotiator who believes strongly in the importance of an agreement and is willing to stick with his instructions, perhaps in the expectation that, with Mr. Shultz in charge of arms control affairs, there will be a compromise authorized by the summer.

Reagan, as Support Wanes, Focuses on Women, Blacks

By Steven R. Weisman
New York Times Service
WASHINGTON — At the urging of advisers who fear that his reelection may be in jeopardy, President Ronald Reagan has begun a series of program changes and initiatives to shore up his low political standing among blacks, the unemployed and especially women.

White House officials said in interviews last week that Mr. Reagan plans to use his State of the Union address Jan. 25 to assuage discrimination against women in pensions and insurance and to seek tougher enforcement against demagogues in child support and alimony payments.

According to the officials, Mr. Reagan is studying the possibility of legislation in those areas, which have received little attention from him in the past two years.

Mr. Reagan reportedly was also studying the possibility of seeking new incentives for the employment of "displaced homemakers," women who are thrust into the job mar-

ket after being widowed or divorced.

He is also expected to call for incentives for businesses to hire long-term unemployed, unemployed youth and those out of work because of declining industries in the Northeast and Midwest.

The most visible recent action directed at women was the selection of the administration's first two women to head cabinet agencies.

The two were Elizabeth H. Dole, a White House assistant for liaison with constituent groups, who was appointed transportation secretary, and former Representative Margaret M. Heckler of Massachusetts, appointed secretary of health and human services.

Mr. Reagan devoted his weekly five-minute radio address Saturday to a tribute to Martin Luther King Jr. on what would have been Mr. King's 54th birthday. In another gesture to blacks, he plans to visit an all-black parochial school in Chicago on Wednesday.

These and other initiatives come at a time of rising concern among Mr. Reagan's aides that he is losing ground among groups whose support he needs if he decides to run for re-election.

A close political adviser said Mr. Reagan's support among working-class voters was "scattering."

A Gallup Poll released Saturday indicated that only 36 percent of all women approve of Mr. Reagan's job performance. Various poll figures are sharply lower than that for single women and working women, and Republican strategists say that the trend cost the party several key elections in November.

Several White House officials said they feared that Mr. Reagan's failure to move faster to strengthen his support among women and blue-collar workers was being seen among Republican Party professionals as a sign that he might not run for re-election.

A key aide to Mr. Reagan indicated that there was disappointment among several aides that the president's budget for the fiscal year 1984, which is to be made public Jan. 31, does not contain more initiatives to help the unemployed.

But the aide said he and others were encouraged by the initiatives for women in the pension, insurance and workers' rights area, which are a product of a coordinating group headed by Mrs. Dole.

The appointment of Faith Whitley, ambassador to Switzerland, to the White House liaison post held by Mrs. Dole was regarded as encouraging by Reagan aides.

Mrs. Whitley's selection was said to be significant in another way: She is in favor of the right to have an abortion, a fact that White House aides said would probably have prevented her from getting the job two years ago.

Mr. Reagan's strong opposition to abortion and the Equal Rights Amendment are acknowledged by Reagan aides as a significant reason for his low ratings among women. They said the president would not change his view.

Kathy Wilson, director of the National Women's Political Caucus, said she detected a real shift at the White House.

Some legislative gains are cited by White House aides in the women's area, although Mr. Reagan himself did not get involved in them.

In the appointments area, Helene Von Dam, the White House personnel director, said that 13 percent of Mr. Reagan's appointments had gone to women.



Andrei A. Gromyko, the Soviet foreign minister, addressing the press after his arrival Sunday in Bonn. At right is Hans-Dietrich Genscher, the West German foreign minister.

Gromyko Visits Fertile Territory 'Peace Offensive' Taken to Bonn Amid Campaign

By James M. Markham
New York Times Service
BONN — The Soviet foreign minister, Andrei A. Gromyko, arrived Sunday in Bonn, Germany, where a momentous election campaign is gathering steam.

Some weeks back, the Gromyko visit looked like a nice opportunity for the new chancellor, Helmut Kohl, to demonstrate that his conservative Christian Democrats could deal with the Soviet Union, showing continuity in policies staked out by Helmut Schmidt's Social Democrats.

Mr. Kohl may still reap this statesmanship bonus. But, as debate quickens regarding deployment of American medium-range missiles in West Germany, Mr. Gromyko's first salvo to the West since Yuri V. Andropov came to power looks like an even better opportunity for Moscow to push its latest "peace offensive."

The foreign minister can woo West German public opinion and portray the new Soviet leadership as profoundly interested in an arms limitation agreement with the United States. Countering Moscow's offensive, President Ronald Reagan has announced he will

dispatch Vice President George Bush to Western Europe on a similar errand of peace later this month.

Mr. Gromyko comes to fertile territory. Last week, the first cracks in Mr. Kohl's coalition opened on the missile issue. And Hans-Jochen Vogel, the Social Democratic leader, announced he would cancel deployment of medium-range missiles this year if the Russians agreed to dismantle their SS-20s and other missiles aimed at Western Europe.

NATO strategists had reckoned that the zero option strategy would only be effective if the allies muffled their doubts and stood behind it. The Social Democrats, thrown out of power in October and armed with polls showing most West Germans oppose the NATO missiles, were the first to voice their doubts. Mr. Vogel said last week he had found new indications of flexibility in Moscow.

Last week, Foreign Minister Hans-Dietrich Genscher subtly broke ranks with the government coalition and, out on the stump, talked about an "interim result" at Geneva shoring up the zero option. Irritated, Chancellor Kohl pulled Mr. Genscher back into line, and the foreign minister was obliged to recant his heresy. But it is not certain that the anxious Free Democrats will stay on board. The episode suggests how soft and malleable political support is for the missiles. The Social Democrats fear deployment will put West Germany

in a position to demand a new agreement on limiting medium-range weapons.

The modification in approach, apparent in conversations last week with defense, party and government officials in Bonn and Rome, is not an official position.

But it will be an important element in influencing a conversation starting Monday between the German government and the Soviet foreign minister, Andrei A. Gromyko, and during the tour of NATO capitals that Vice President George Bush of the United States will begin Jan. 30.

In West Germany, major elements of the Social Democratic Party, which is seeking to return to power in the March 6 national elections, favor solutions in which NATO deployment plans would be abandoned if the Soviet Union cut its present total of more than 900 warheads on about 300 SS-20 missiles.

In Italy, where a Socialist is defense minister in the coalition government, this approach, described in Rome as the "West zero, East plus" line, is rejected, as it has been by the governing coalition of Chris-



President Ronald Reagan at a recent news conference.

OPEC to Meet Sunday on Quotas; Yamani Sees Chance of an Accord

BAHRAIN — Eight OPEC ministers agreed Sunday to hold an emergency meeting of the Organization of Petroleum Exporting Countries next Sunday in Geneva to head off a possible collapse in oil prices.

Saudi Arabia's oil minister said there was a good chance that an agreement would be reached on sharing the dwindling oil market.

The Saudi minister, Sheikh Ahmed Zaki Yamani, said after the ministers met in Bahrain that, at next week's full ministerial meeting, "there is a good chance, really, this time. We might be able to start to do it. We hope."

Iraq's oil minister, Qasim Ahmed Taji, said Sunday that what he called the rule-abiding majority in OPEC might cut prices to restore flagging sales unless other members stopped breaking price and production records.

The OPEC president, Mallam Yahaya Dikko of Nigeria, said he believed that Libya, one of the

countries reported to have been discounting prices to increase sales, might fall into line. "I think they will be reasonable," he said.

The meeting in Geneva would come just a month after ministers raised the overall OPEC production ceiling to 18.5 million barrels a day but failed to agree on individual quotas.

The talks in Bahrain were attended by ministers from Indonesia, Qatar, the United Arab Emirates, Kuwait, Nigeria, Saudi Arabia and Iraq. Kamel Hasan al-Maghbour of Libya, who arrived too late for the meeting, met with some OPEC ministers Sunday.

OPEC faces what ministers have called its gravest crisis, as some members have undercut the official benchmark price of \$34 a barrel to

take more of a market that is dwindling because of the recession.

The price dispute, coupled with rising production by non-OPEC members such as Britain and Mexico, has pushed the spot market price well below \$24.

Mansour al-Odeh, oil minister of the United Arab Emirates, said after the meeting in Bahrain that the chances of agreeing on quotas were greater now because all members were feeling the effects of the weak market. He said the solution was to limit production and perhaps even reduce it.

Kuwait warned Sunday that any further cut in its production would affect its petrochemicals production and its budget. Industry experts say Kuwait's daily production has fallen to less than 800,000 barrels from its ceiling of 1.25 million.

The minister of state for cabinet affairs, Abdul-Aziz Hussein, said after a cabinet meeting, however, that Kuwait was not seeking a price cut.

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Paris Talks Open on Increasing IMF Funding

By Carl Gwertzman
International Herald Tribune
PARIS — The first of a series of international meetings opened here Sunday aimed specifically at reinforcing the resources of the International Monetary Fund to relieve the debt crisis of developing countries and more generally at reviving world economic growth.

The three days of technical meetings this week involve central bank governors, treasury officials and, on Tuesday, finance ministers and treasury secretaries of the major industrialized countries known as the Group of 10. The sessions are the prelude to the policy-directing economic summit meeting of the seven major powers in Williamsburg, Virginia, on May 27.

This week's meetings, Jacques Delors, the French finance minister, said at a press briefing last week, are designed to brighten the awareness of officials to the link between economic conditions in the industrialized countries, the debt problems of the developing world and their impact on world trade.

Mr. Delors made clear that he

hopes this "sensitization process" results in an agreement by the summit countries to redirect policy objectives to emphasize economic growth rather than fighting inflation, which has been the central goal for the past two years.

Mr. Delors quoted with approval a remark that he said U.S. Secretary of State George P. Shultz made during his recent European tour, a reference to "the virtuous circle of all countries simultaneously cutting back risks ending in a vicious circle of a downward spiral in international trade where everyone is buying and selling less."

At Sunday's meeting of central bank governors and senior treasury officials, this view was echoed by Beryl Sprinkel, U.S. undersecretary of the Treasury for monetary affairs. He said at a press briefing that countries that have adjusted are in a position to expand and ought to be doing so, and added that the United States is expanding.

He said U.S. growth this year, the fourth-quarter rate measured against last year's fourth quarter, would register 3 percent, broadly in

line with the predictions of the Organization for Economic Cooperation and Development.

He noted that this growth would stimulate imports and catapult the nation's current-account deficit to a "distressingly high" \$25 billion to \$35 billion, but added that the deficit meant the United States was providing a market for the exports of other nations.

A preoccupation of Sunday's meeting was how much of an impact a deficit of this size might have on the dollar. Mr. Sprinkel told the press that the assumption that the dollar will drop "is a risky conclusion."

He allowed that there might be some "temporary weakness" in the exchange rate, but he said that incentives for capital flows — moderate inflation, rising corporate profits — would keep investments flowing to the United States and underpin the dollar.

Sunday's meeting was not a forum to prod other nations to adopt expansionist policies. But there appeared to be broad agreement that the decline in U.S. interest rates and the easing of the dollar

created leeway for other countries to adopt more stimulative policies.

This week's meetings are expected to result in an agreement to augment the resources of the Group of 10's own lending facility, known as the General Arrangements to Borrow (GAB). The Group of 10 includes six European Community members — Belgium, Britain, France, Italy, the Netherlands and West Germany — and the United States, Japan, Canada and Sweden.

Its resources are expected to be trebled, to about \$20 billion. Saudi Arabia and possibly Kuwait will join Switzerland as outside contributors, while inside the group West Germany will be seeking to reduce its percentage share of the total. For the first time, loans from this kitty will be available not just to the select members of the Group of 10 but to any IMF member country.

To be determined this week is how such lending will take place. The prevailing view is that the IMF should be the only official body to discuss lending to nations in distress and that the GAB would simply

(Continued on Page 2, Col. 7)



THE MOSCOW CONNECTION — Four former U.S. ambassadors to Moscow talked at a Moscow correspondents' reunion at New York's Overseas Press Club. They are, from left: Thomas J. Watson Jr., ambassador from 1979 to 1981; Malcolm Toon, 1976-79; Jacob D. Beam, 1969-72; and Walter J. Stoessel Jr., 1974-76.

'Abramowitz Affair' Seen as Test Of Shultz Attempt to Mend Fences

By John M. Goshko
Washington Post Service

WASHINGTON — When President Ronald Reagan announced his shake-up of top arms control officials, the name of Morton I. Abramowitz received only secondary billing.

But the choice of the veteran diplomat to be chief U.S. negotiator at the Mutual and Balanced Force Reduction Talks in Vienna involves a potentially important issue in the relationship between Secretary of State George P. Shultz and the career Foreign Service.

Within the service, what is known as the "Abramowitz affair" has been watched closely as a test of whether Mr. Shultz is willing to use his clout to protect career officers from the intrigues and purges that are the frequent by-products of changes in administration.

The career of Mr. Abramowitz, a diplomat for 22 years and the former ambassador to Thailand, was cast into limbo more than a year ago when Mr. Shultz's predecessor, Alexander M. Haig Jr., tentatively chose him for the top Asia policy post of assistant secretary of state for East Asian and Pacific Affairs.

Mr. Abramowitz never got the job. Nor did he get another post for which Mr. Haig subsequently chose him: ambassador to Indonesia.

In both cases, it later became known, the appointments were de-

railed by a campaign orchestrated by elements in the Pentagon and Central Intelligence Agency, with the encouragement of congressional conservatives.

Stripped to its essentials, the case presented by his enemies was that Mr. Abramowitz, who had worked on several controversial policy issues during the Carter administration, was a man whose "political philosophy is akin to McGovern, Muskie and Mondale" and who thus should be regarded as suspect by the Reagan administration.

In the Foreign Service, what happened to Mr. Abramowitz has been viewed as a case of a professional officer conscientiously carrying out the policies of a president, then, under a new president, being penalized for doing his duty.

When Mr. Shultz took office last summer he was being watched closely for signs of what he would do to right the injustice and to insulate the State Department from similar incidents.

One of his first moves was to ease out Richard T. Kennedy, undersecretary for management, who was widely regarded by professional officers as insensitive and inattentive to personnel problems, and replace him with Jerome W. Van Gorkom, a Chicago businessman, who has been charged with devising better work incentives for career officers.

But, sources added, Mr. Shultz was always aware that if his efforts were to win credibility he had to do something about Mr. Abramowitz. "He wasn't about to make a futile gesture that would see him shatter his lance to no avail," a source said, "but he was determined to correct the situation in a way that would send the appropriate signal."

Mr. Shultz had to navigate several mine fields. For one thing, there have been persistent suggestions that anti-Semitism was a factor in the attacks on Mr. Abramowitz. While department sources say it was not the primary consideration, they also say there is a message in the fact that Mr. Shultz chose Paul Wolfowitz, who is also Jewish, for the assistant secretary job that had been denied to Mr. Abramowitz.

Finally, there was the question of whether Mr. Shultz would be willing to risk a fight with the forces that had opposed Mr. Abramowitz earlier and to insist that the president back his move.

The tentative answer came Wednesday, when Mr. Reagan announced that Mr. Abramowitz would assume responsibility for the talks, which have been given renewed emphasis.

For the Foreign Service, a more definitive answer will be available when Mr. Abramowitz goes before the Senate for confirmation.

Russia Says Fuel Core Will Fall in February With Little Radiation

By Serge Schmemmann
New York Times Service

MOSCOW — A senior Soviet scientist has announced on national television that the nuclear fuel core of the Cosmos-1402 satellite would plunge into Earth's atmosphere in mid-February, but he assured viewers that any fallout would be within safe limits.

In his explanation, Oleg M. Belotserkovsky, director of the Moscow Physico-Technical Institute, seemed to change the Soviet position from previous assurances that the satellite's radioactive fuel core would completely burn up in the atmosphere. Instead, the scientist said Saturday, any "finely divided particles" reaching Earth would be within internationally agreed safety limits.

"Should these particles fall out to Earth, the radiation situation will be within the limits recommended by the International Commission on Radiological Protection," a United Nations body that studied the issue, he said.

He gave no indication of the size or possible re-entry trajectory of the radioactive segment, which he said was separated from the main body of the satellite on command on Dec. 28.

Mr. Belotserkovsky also made the first Soviet acknowledgment that normally the reactor and spent fuel of nuclear-powered satellites are boosted to a higher, long-term orbit on completion of their mission. But his statement gave the impression that the failure had been envisioned and that the satellite was following a contingency procedure for disposing of radioactive elements.

Mr. Belotserkovsky's detailed ex-

planation of the plight of Cosmos-1402 in prime-time viewing hours suggested that Soviet leaders were considerably more anxious about the satellite than their earlier assurances had indicated.

In effect, he confirmed the basic assertions of experts in the United States, who warned earlier this month that the craft, which they identified as a military reconnaissance satellite, had malfunctioned and that its nuclear components would fall to the Earth.

U.S. experts have noted that when a similar satellite with a similar reactor, Cosmos-954, plunged into the atmosphere in 1978, several radioactive fragments landed in Canada's Northwest Territories. The cleanup took months and cost about \$6 million, part of which was claimed from the Soviet Union.

Several nations, including the United States, Britain and Sweden, have set up special teams to monitor the progress of Cosmos-1402. Contingency plans are being reviewed for finding and recovering radioactive fragments in the event that any survive.

Mr. Belotserkovsky, who did not explain the mission of the satellite, said that Cosmos-1402 completed its work Dec. 28 and was separated on command into three parts. One of these parts re-entered the atmosphere and burned up Dec. 30, he said, adding that the two remaining parts consisted of the main core of the satellite and the fuel core of the reactor.

"According to preliminary calculations," he said, "the main part of the satellite structure will enter the dense layers of the atmosphere late in January, and the fuel core in mid-February this year."

Reagan Sees No Imminent Danger In Keeping Marines in Lebanon

By Juan Williams
Washington Post Service

WASHINGTON — President Ronald Reagan is committed to keeping U.S. marines in Lebanon as part of the multinational peace-keeping force and sees no imminent danger in doing so, the White House has announced.

In response to a report that U.S. military officials are concerned that the marines could become involved in fighting, Larry M. Speakes, the deputy White House press secretary, said Saturday that U.S. military officials have indicated to Mr. Reagan any increased likelihood that such fighting may break out.

Military leaders said Friday that they feared that the extended stay in Lebanon, now approaching five months, added to the chances of incidents that could accidentally touch off military action.

The marines entered Lebanon for the second time last year on Sept. 28, and 1,200 troops are now stationed on the ground there and 600 on five ships off shore. Administration officials had predicted that the marines would be out of Lebanon by the end of 1982.

Marine officials are considering leaving all of the U.S. troops aboard ships to get them out of heavily armed Lebanon.

"We recognize that it is a situation that is not completely free of danger," Mr. Speakes said. "But then again, it is not fraught with danger."

"We don't anticipate any major conflict because they have been there for however long, three to four months, without any major incident. And there are in a situation where they are not in conflict, not in contact with anybody that could produce a major incident."

A Pentagon official said planning had begun on how best to increase the U.S. presence in Lebanon by one battalion if Mr. Reagan agreed to a request by President Amin Gemayel for additional U.S. troops.

Mr. Speakes said he had no comment about additional U.S. forces entering Lebanon but said Mr. Reagan was convinced of the need to keep the force there "as long as necessary to ensure stability in the Lebanese government."

Last week, Israel and Lebanon

agreed on an agenda for negotiating terms of the withdrawal of Israeli troops from Lebanon. There are Israeli, Palestinian and Syrian troops in Lebanon in addition to the multinational force from the United States, Italy and France.

Lebanese officials said last month that they planned to demand that Israeli, Syrian and Palestinian Liberation Organization troops be withdrawn from Lebanon by Feb. 15. On Friday, there were unconfirmed reports that Philip C. Habib, the U.S. special envoy, had set Feb. 12 for the start of withdrawal.

White House officials said Saturday they had not been told of agreement on such a deadline.

Habib in Israel to Press For Accelerated Talks

Reuters

JERUSALEM — Philip C. Habib, the U.S. special envoy to the Middle East, returned to Jerusalem on Sunday to press for accelerated negotiations between Israel and Lebanon aimed at expediting the withdrawal of Israeli, Syrian and Palestinian forces from Lebanon.

Mr. Habib was to confer Sunday night with a three-man team set up by Prime Minister Menachem Begin's cabinet to discuss speeding up the negotiations, which were to resume Monday near Beirut.

The three members of the team are Foreign Minister Yitzhak Shamir, Defense Minister Ariel Sharon, and David Kimche, director-general of the Foreign Ministry and leader of Israel's delegation at the talks with Lebanon.

According to Israeli state radio, Mr. Habib and the cabinet team were to work out principles for the pullout of Israel's 30,000 troops from Lebanon. The U.S. envoy would then shuttle between Jerusalem, Beirut and Damascus while the Israel-Lebanon negotiations continue, the radio said.

A spokesman for Mr. Begin denied Israeli press reports that Mr. Habib had suggested moving the negotiations to Washington in order to speed them up.

The radio quoted Mr. Begin as telling his cabinet Sunday that while President Ronald Reagan was urging faster progress in the talks, he had not blamed Israel for the slow pace.

According to Israeli radio's diplomatic correspondent, Washington opposes Israel's plan to maintain early-warning stations in southern Lebanon after a withdrawal. The radio quoted Mr. Habib as saying that if Israel had such installations, Syria would make similar demands.

After three weeks of dispute over an agenda for their talks, Israel and Lebanon last week accepted a U.S. compromise formula that said the talks would resume "in a framework for mutual relations" in addition to troop withdrawal and security arrangements along the Israeli-Lebanese border.

Lebanese Factions Battle
Fighting broke out Sunday in the Israeli-controlled Alep mountains east of Beirut, ending a short-lived cease-fire between Christian and Druze combatants, security sources told United Press International in Beirut.

They said incidents of sniper fire escalated into artillery and mortar exchanges across sections of the Alep mountain range.

The warring factions agreed on a cease-fire Saturday, ending a day-long battle following an Israeli intervention.

Suspected Terrorist Is Arrested in Milan
The Associated Press

MILAN — Sergio Segio, a reputed leader of the Front Line leftist guerrilla group and a suspect in 14 murders, has been arrested, the police reported.

They said Mr. Segio, 28, was arrested Saturday with a woman identified as Daniela Figini, 21. She was charged with aiding a terrorist.



The car driven by Stephen Waldorf in a London street, with bullet holes in the rear window. Mr. Waldorf was critically wounded when police mistakenly shot at him.

Police Suspended in London Shooting

United Press International
LONDON — Three London policemen who shot and critically wounded an innocent man have been suspended pending the outcome of an official police inquiry, a Scotland Yard spokesman said.

Stephen Waldorf, 26, a freelance film editor, was hit by five bullets as he sat in his car in a traffic jam in London's Kensington district. He was taken to a hospital, where he reportedly underwent surgery for bullet wounds in the chest, liver and arms. Mr. Waldorf remained in critical condition Sunday.

A woman in the car, Sue Stevens, 25, suffered a slight bullet wound on her back. The police released her Friday after questioning.

The police acknowledged Sunday that the shooting was a "tragic case of mistaken identity." They said the officers had thought Mr. Waldorf was David Martin, who is being sought on charges of attempted murder of a police officer. Mr. Martin escaped from a London court holding area on Dec. 24.

The police declined to comment on reports that Miss Stevens was an acquaintance of Mr. Martin and had been under surveillance.

The Sunday Times said a shot fired to immobilize Mr. Waldorf's car may have triggered the shooting. Quoting senior police officers, the newspaper said the policemen had thought the shot aimed at a fire, had been fired at them from the car. The police declined comment on the report.

On Saturday, Home Secretary William Whitelaw demanded a report on the incident from Kenneth Newman, the Scotland Yard commander. A Scotland Yard spokesman said three police officers had been suspended pending the outcome of the inquiry.

Opposition parties strongly criticized the shooting. "London is not Chicago," said William Pitt, a Liberal Party spokesman on domestic affairs. A Labor Party spokesman, Roy Hattersley, said the shooting "raised fundamental questions of police procedures."

WORLD BRIEFS

Airliner Crash Kills 22 in Ankara

United Press International

ANKARA — A Turkish Airlines Boeing 727 crashed in thick fog as it approached Ankara's airport Sunday night. Hospital officials said at least 22 persons were killed and 28 were injured.

The airliner, on a flight originating in West Germany, had carried passengers and eight crew members on the 40-minute hop from Istanbul to Esenboga Airport in Ankara, airport officials said.

The officials said the rescue operation was completed at 1 a.m. Monday, but hospital officials said that victims were still being brought to the hospital. Turkey's state-run radio interrupted its regular broadcasts to appeal for blood donations.

War Panel Said to Clear Thatcher

LONDON (Reuters) — An official inquiry has found Prime Minister Margaret Thatcher virtually blameless for her government's failure to anticipate Argentina's seizure of the Falkland Islands, British newspaper reported Sunday.

A report by the inquiry is to be released Tuesday. The Observer, a newspaper that had seen it, said the report offered "modest criticism" of Lord Carrington, who resigned as foreign secretary when Argentina seized the islands in April. It added that Mrs. Thatcher was virtually cleared.

The Sunday Times said: "Mrs. Thatcher will be directly blamed little, if anything, in the report," and added that it would not threaten government. "It highlights the breakdown in communication between the Ministry of Defense and the Foreign Office, notably over the warnings signaled to the Ministry of Defense in late January," the paper said.

China Criticizes Soviet Policy

BEIJING (Reuters) — Soviet policy in Afghanistan was sharply criticized Sunday by China. The criticism came two days after Beijing announced that Chinese and Soviet officials would meet in Moscow March for further talks on improving relations.

The attack in the official Beijing Review was prompted by a Tass agency statement Dec. 31 that the Soviet Union would continue to defend Afghanistan against foreign armed intervention and that hopes of a change in attitude were illusory. China has recently cited the Soviet presence in Afghanistan as a main obstacle to rapprochement. Some reports from Moscow late last year hinted at a possible Soviet concession on this point.

The Chinese commentator said that the message from Tass "shows a warning against having any illusions about Soviet hegemonism."

Israeli Panel Hears Final Testimony

JERUSALEM (NYT) — The state commission investigating the 1982 massacre completed taking testimony Sunday as lawyers for six set officials gave oral summations of their clients' cases.

The lawyers making final oral arguments represented Ariel Sharon, defense minister; Lieutenant General Rafael Eitan, the chief of staff; Major General Amir Drori, head of the Northern Command; Brigadier General Amos Yaron, the Beirut division commander; and Brigadier General Yehoshua Sag, the head of the defense ministry; and the head of the Mossad intelligence agency, whose identity is kept secret.

Prime Minister Menachem Begin, Foreign Minister Yitzhak Shamir and the director of military intelligence, Major General Yehoshua Sag, were not represented in the closed session, according to a commission spokesman. He said that Mr. Shamir and General Sag had submitted written summations last week.

Judge Slain Outside Ulster Church

BELFAST (UPI) — A gunman shot and killed one of Northern Ireland's leading judges Sunday morning outside a Roman Catholic church police sources said.

The Provisional Irish Republican Army claimed responsibility for the assassination of William Doyle, 55, who was gunned down in his car as he left Mass at St. Brigid's Chapel in the normally quiet university town of South Belfast. A 72-year-old woman, believed to be a relative of Mr. Doyle, was shot in the stomach.

Economic Meetings Open

(Continued from Page 1)

table is respected, Mr. Sprinkel said Sunday, the quota more could be completed as early as end of this year, two years ahead of the previous schedule and a relief of official concern about IMF's resources to deal with debt crisis of developing countries. He said that congressional sentiment would be a factor in the U.S. decision on how much of an increase to support.

Mr. Sprinkel said that the strategy in place to sort out the debt crisis of developing countries is working. "Problems remain," he said, "but the strategy is working and that it will continue to work."

The strategy is not one of bailouts of the banks, which have lent bulk of the money that cannot be repaid, but of setting the stage for banks to continue to provide medium-term and long-term finance, albeit at much a slower pace, to debtor countries.

Bonn, Rome Interested in Missile Cuts

(Continued from Page 1)

also said there could be no "West zero, Soviet plus" outcome to the Geneva talks.

At the same, he said the Soviet Union would logically have to be allowed to maintain some of its medium-range missile capability and that British and French nuclear forces should be considered in the general accounting. Yuri V. Andropov, the Soviet leader, has demanded that the British and French forces be taken into account.

This position is not that of the government, but the cascade of suggestions from Mr. Andropov indicating movement on the medium-range issue, and the probability of elections this spring in Italy have required Italian leaders to offer a response.

Foreign Minister Emilio Colombo has spoken of moving toward the "zero solution" in intermediate steps. This appears to represent interest in an interim agreement scaling down deployment in relation to the best Soviet offer.

The circumstances are vastly more complicated in Bonn, where the missile issue is an obsessional one and where some U.S. officials question whether the missiles can actually be stationed.

Although no one in a half-dozen conversations in Rome thought violence was likely in Italy in an attempt to hinder deployment, a coalition of anti-nuclear groups in West Germany has announced campaigns of civil disobedience to stop deployment.

The government of Chancellor Helmut Kohl is trying to appear

both true to NATO's agreed negotiating position and active in influencing the United States in working out a solution with Moscow before the end of the year.

The government's interest in some variety of interim agreement became apparent Wednesday in an official policy statement. It reaffirmed the elimination of all medium-range missiles in Europe as the best possible result of the Geneva talks. But it pointed to a phrase in the text of the 1979 NATO statement on deployment saying the alliance would examine the extent of deployment in the fall of 1983 "in the light of the concrete negotiating results."

Implicit in the statement was Bonn's interest in potential cuts in the size of the deployment if a measure of understanding for an interim agreement was at hand.

The pressure on Mr. Kohl to seek an interim solution has increased because Hans-Jochen Vogel, the Social Democratic Party candidate, has said that, if he were elected, West Germany would deploy only "under very extreme circumstances." This is a notable softening of the position held by former Chancellor Helmut Schmidt.

Mr. Vogel, who has visited President Ronald Reagan and Mr. Andropov in the last two weeks, was accompanied on his trips by Egon Bahr, the party official responsible for disarmament issues and a man described by Mr. Schmidt in 1980 as someone who knew next to nothing about the subject.

Mr. Bahr is suggesting a three-to-five-month moratorium on deployment at the end of the year, a tactic that his opponents say was

not only rejected by a Social Democratic Party convention a year ago but undermines the NATO decision.

Karsten Voigt, a Social Democratic parliamentary spokesman on foreign and security issues, said flatly, "I'm in favor of a Soviet plus, West zero agreement."

A third Social Democratic group expresses interest in deploying cruise missiles but not Pershing-2s, which are particularly upsetting to Moscow because their delivery time from West Germany is less than 10 minutes.

In explaining the government's position, Alois Mertes, minister of state for foreign affairs, insisted that there was no specific West German position on a compromise at Geneva other than the idea that "if the Soviets don't go to zero, then we can't."

U.K. Favors Deployment

Prime Minister Margaret Thatcher of Britain urged Western nations Sunday to increase their defenses and declared that, despite protests, Britain would deploy U.S. cruise missiles. The Associated Press reported from London.

Mrs. Thatcher stressed in a television interview that the Kremlin would have to make concessions before progress could be made on limiting nuclear weapons.

Vogel Puts Onus on U.S.

Mr. Vogel indicated in an interview published Sunday that he would refuse to deploy U.S. missiles in West Germany if he thought Washington was blocking a disarmament agreement with Moscow. United Press International reported from Bonn.

Bonn Is Fertile Territory For the 'Peace Offensive'

(Continued from Page 1)

ny in a position of active confrontation with the Soviet Union: the Free Democrats are looking for votes. This is good news for Mr. Gromyko.

When Mr. Kohl became chancellor just over 100 days ago, some people in the Reagan administration rejoiced at the thought that Bonn finally had a government that would take a tough line with Moscow. Administration officials learned differently at a seminar held by the Christian Democratic Konrad Adenauer Foundation in November.

While administration envoys portrayed the Soviet Union as militarily aggressive, although economically crippled, their hosts were inclined to see a more stable nation whose aggressiveness stemmed importantly from a sense of insecurity.

The defining issue of these contrasting analyses has been East-West trade. Rhetoric out of Washington about destabilizing the Soviet Union through trade sanctions has made West German policymakers suspicious.

"There is still a basic difference in the assessment of what economic relations with the East mean," a senior West German official said. "We really believe that well-balanced economic relationships are a stabilizing element and something that is good in itself."

Mr. Kohl lined up with other West Europeans in opposing the Reagan administration on the trans-Siberian pipeline sanctions, and Washington retreated into a face-saving formula, shelving the issue. Now, with a difficult campaign ahead, Mr. Kohl wants to come down on the winning side of the debate about the best tack to take in Geneva. His Christian Democrats could end up badly isolated if the United States made concessions at Geneva before the March 6 vote. The upheaval in the Reagan arms negotiating team last week did nothing to reassure Bonn that the American course is set, or even predictable.

Mr. Gromyko, by contrast, is utterly predictable. Bonn officials expect that he will use his visit to renew the Warsaw Pact call for a nonaggression treaty with NATO and to embroil on Mr. Andropov's latest arms-reduction proposals. The main beneficiary of this message may turn out to be not Mr. Kohl, but rather Mr. Vogel.

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Panel Offers, Reagan Backs Social Security Rescue Plan

By Spencer Rich and Juan Williams
Washington Post Service

WASHINGTON — President Ronald Reagan's advisory commission on Social Security has approved a rescue plan, backed by both the president and House Speaker Thomas P. O'Neill Jr., that would provide \$169 billion in tax increases and benefit reductions over the next seven years to keep the retirement system from defaulting.

"Each of us recognizes that this is a compromise solution," said O'Neill, who said he would support the plan if it included elements which he considered "a bipartisan compromise."

Mr. Reagan said, "However, in the interests of solving the Social Security problem promptly, equitably and on a bipartisan basis, we have agreed to support and work for this bipartisan solution."

Mr. O'Neill, a Massachusetts Democrat, called the plan "approved Saturday night by a 12-3 vote," a bipartisan agreement acceptable to the president and to him, one which he can support and which he will seek for.

The only members of the 15-person commission to oppose the compromise were Senator William L. Armstrong, a Colorado Republican; Representative Bill Archer, a Texas Republican; and former Representative Joe D. Wicker, Jr., a Louisiana Democrat. Senator John Heinz, a Pennsylvania Republican, was absent but voted in favor by proxy.

The agreement, which will need congressional approval, was announced after 12 hours of bargaining between White House aides and leaders of the commission.

The agreement calls for mandatory Social Security coverage for new federal workers and all employees of nonprofit organizations; acceleration of Social Security payroll taxes already scheduled to go into effect in 1985 and 1990; a six-month delay in this year's cost-of-living benefit increases; and taxation of half the Social Security benefits received by high-income retirees.

The commission has estimated that \$150 billion to \$200 billion will be needed over the next seven years to keep the system solvent. The \$169 billion in the commission's package is meant to fill that gap.

The commission also has estimated that over the next 75 years, the system will face a deficit of 1.5 percent of taxable payroll. The agreement reached Saturday night would wipe out more than two-thirds of this long-range deficit.

Alan Greenspan, chairman of the commission, said that in addition to the president and the speaker, the compromise had the support of the Senate majority leader, Howard H. Baker Jr., Republican of Tennessee. Senator Robert J. Dole, a Kansas Republican, said he believed the plan also had the support of Dan Rostenkowski, an Illinois Democrat who heads the House Ways and Means Committee, and Robert H. Michel of Illinois, the House Republican leader.

The basic compromise includes these provisions:

- Mandatory Social Security coverage would be extended to new federal employees and to all employees of nonprofit organizations as of Jan. 1, 1984. Federal employees are not covered by Social Security at present on a mandatory basis, although some qualify by work in the private sector, and nonprofit organizations may join if they choose.
- An increase in the Social Security tax, to 7 percent from 6.7 percent on the first \$35,700 in wages, would take effect in 1984. Rate increases already planned for 1985, 1986 and 1990 would be maintained; in addition, an interim rate increase would be made in 1988.
- Self-employed persons would be required to pay the same total tax on their incomes as an employer and employee together now pay on a worker's salary of the same amount. Under current law, the self-employed pay three-quarters of the combined employer-employee tax. The self-employed would be allowed to offset the extra payment against income tax.
- Social Security beneficiaries would be required to pay income tax on half their benefits, but only if total income from all sources exceeded \$20,000 a year in the case of a single person or \$25,000 in the case of a married couple filing jointly. Social Security benefits are not taxed now. The money received from taxing the benefits would be fed back into the Social Security trust fund to help keep it solvent.
- This year's automatic cost-of-living increase in benefits would be postponed for six months, from July to January, and thereafter would be paid in January.
- The system would be reimbursed for certain credits granted to members of the armed forces, and also would receive credit for Social Security checks that go uncashed.
- Beginning in 1988, if Social Security trust funds fall low, the annual cost-of-living increase would be based on the lesser of wages or prices, rather than prices as is now the case. The cut would be made up when the trust funds build up again.

California Dreaming: Democrats Take a Bow All Dressed Up, a Long Way to Go, 7 Stage Early Presidential Drives

By David S. Broder
Washington Post Service

SACRAMENTO, California — Four hundred eight days before the first caucus in Iowa, 416 days before the first primary in New Hampshire and 550 days before some Democrat will be nominated for president, seven Democratic hopefuls came here to audition their talents at the state-party convention.

Two straw polls of the 1,700 delegates at the session Saturday reflected the home-state strength of Senator Alan Cranston, who plans to announce his candidacy early next month.

But Senator Cranston was equalled or outdone in cheers by former Vice President Walter F. Mondale, the front-runner in current national polls. Both were given favored positions on the morning program.

Crowded into the later schedule were Senator John Chafee of Ohio, Gary Hart of Colorado, Ernest F. Hollings of South Carolina, and Dale Bumpers of Arkansas, and Representative Morris K. Udall of Arizona.

In an eight-hour procession of alternating speeches and news conferences, the rivals vied for original ways to condemn the Reagan administration's record and promise progress in arms control and economic growth if they become president.

The favorite pledge was one to go directly from the inaugural platform in 1985 to a meeting with the Soviet leader, Yuri V. Andropov, to seek a freeze on nuclear weapons production and reductions in existing arms. Senators Cranston, Mondale and Hart made that promise.

Although there was little news in the day's speeches, the fact that Mr. Askew came here was evidence of the extraordinarily early start on presidential politics. Senator Glenn even interrupted a Latin American tour for the Senate Foreign Relations Committee.

Party rules changes adopted last year moved the first delegate-selection caucus in Iowa back five weeks, to Feb. 27, 1984. The first primary in New Hampshire was forced back a week to March 6, 1984. The purpose of the changes was to shorten the campaign season that will climax on July 18, 1984, with balloting for the Democratic presidential nomination.

But Mr. Mondale said at a news conference Friday, the need to contact thousands of people who participate in primaries and caucuses and to raise campaign money in small amounts from thousands of individuals make it necessary for the Democrats to start campaigning 18 months before the convention.

In the two straw polls conducted at the convention, Senator Cranston finished far ahead of Mr. Mondale.

In one taken on the convention floor by the state Democratic party, Senator Cranston got 60.3 percent and Mr. Mondale had 23.6 percent. The tally taken late Saturday night did not give the results of other candidates.

Earlier in the day, a poll of delegates taken by the Los Angeles Times gave Mr. Cranston 40 percent and Mr. Mondale 15 percent, while another 25 percent of respondents said they were undecided.

But Mr. Mondale, addressing the convention in an evangelical speaking style, won an oratorical victory.

Whether he was attacking "special-interest money that is paralyzing our government," or assailing the Reagan administration for "giving tax breaks to the rich and cutting the poor," Mr. Mondale seemed able to get the delegates up and cheering almost at will.

Mr. Cranston, who had worked harder than anyone else to line up his home-state delegates' support in the straw poll, also received generous applause.

But many of the delegates seemed more interested in judging the performance of two relative strangers — Senator Glenn and Senator Hart — and the two southern long shots, Senator Hollings and Senator Bumpers.

In his prepared text, Senator Glenn said Mr. Reagan may ask the country "to stay the course, but I say he's flunked the course."

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Parti Quebecois Applies to Join World Socialists

OTTAWA — The ruling party of Quebec has applied for membership in the Socialist International, the worldwide organization of Socialists, Social Democrats and labor parties, and its bid was immediately challenged by a member from Canada.

Canada's New Democratic Party, a Social Democratic group that is already one of the 53 parties in the organization, made it clear that it was willing to backslide the application of the separatist Parti Quebecois.

Peter O'Malley, a spokesman for the New Democrats, said his group's opposition was based on ideological and constitutional considerations. He said that "member parties are supposed to be Social Democratic and national in scope," citing also the recent salary rollback of 350,000 provincial workers and the suspension of their right to strike.

Mr. O'Malley said that while Quebec's position was based on provincial nationalism, that it represents Canada's French-speaking population, and points out that Socialists-ruled France has also frozen public-sector wages.

Visit Boosted Navon's Prestige, U.S. Jews Say

By Judith Miller
New York Times Service

WASHINGTON — President Yitzhak Navon of Israel has ended an 11-day visit to the United States, a trip billed as nonpolitical, but one that prominent American Jews have said enhanced his reputation here.

Mr. Navon, 61, a Labor Party veteran who some view as a potential political challenger to Prime Minister Menachem Begin, left the United States on Saturday. He returned from criticism of Mr. Begin's policies or of expressing political views that diverged from those of his government.

Instead, he dwelt mainly on themes about which there has been a consensus in Israel but not necessarily among American Jews.

"America is a great country," Mr. Navon said in a speech Jan. 9 to more than 1,000 Jews in Keshet Jeshurun Synagogue in New York. "But any Jew who lives in any part of the world lives by chance," he said. "The only place they live not by chance is in Israel."

Mr. Navon acknowledged that he was preaching to the converted. Most of those who were present in the Orthodox synagogue had already decided to emigrate to Israel. His comments were directed not at them, he said, but to the six million American Jews who had not decided to emigrate to Israel.

The speech was one of the few occasions on his trip when Mr. Navon, whose position as president is largely ceremonial, could speak with candor. He was on guard at other meetings.

Despite reticence that his trip was nonpolitical and that as president he could not voice personal views on policy issues that divide Israelis, many in his audiences sought hints about his political views.

Mr. Navon said that he will announce next month whether he will seek another five-year term as president or step down and make himself available as a potential challenger to Prime Minister Begin.

"Political considerations aside, his visit has immeasurably enhanced his reputation here," said Julius Berman, chairman of the Conference of Presidents of Major American Jewish Organizations. "He managed to stay away from the divisive political issues within Israel, without running away from important substantive issues, such as U.S.-Israeli relations."

But some questioned whether the somewhat scholarly politician, who is also a poet and playwright, was tough enough to withstand the brutal skirmishes of Israeli politics.

Rabbi Arthur Hertzberg, vice president of the World Jewish Congress and a close friend and admirer of Mr. Navon, wondered whether "he may lack the fire in the belly that is required for the rough-and-tumble of Israeli politics."

Several Jews who heard him in Washington, Baltimore, Boston or New York expressed concern about what Mr. Navon described



Generals Bignone of Argentina and Figueiredo of Brazil at the Iguaçu Falls border.

Presidents of Argentina and Brazil Ease Tension With Economy Pact

By Richard House
Washington Post Service

FOZ DE IGUAÇU, Brazil — A meeting here last week of the military presidents of Brazil and Argentina appears to have moved the two regional giants from past estrangement toward cooperation.

A communiqué after the summit meeting Thursday between General Reynaldo Bignone of Argentina and João Baptista Figueiredo of Brazil said they had agreed on a course of cooperation to confront international economic difficulties.

Brazil has failed to maintain payments on its foreign debt of \$80 billion while Argentina — with a population of fewer than a quarter of Brazil's 125 million — is negotiating a rollback of its \$43-billion debt.

The encounter between Generals Bignone and Figueiredo comes after years of strained relations caused in part by the construction of the Itaipu hydroelectric dam near the site of the talks.

The ceremonial justification of the meeting was initiation of work on a \$32-million bridge over the Iguaçu River that divides their countries. The two leaders also signed an agreement allowing Argentina to buy Brazilian electricity.

General Bignone reminded General Figueiredo of his intention to be "the last Argentine president not to be elected by the choice of the people." Elections are due late this year.

Spokesmen said that General Bignone made clear his approval of General Figueiredo's smooth handling of elections last year, in effect ending 18 years of military rule. An electoral college is to choose the next president.

A spokesman for the Brazilian Foreign Ministry, Bernardo Pericás, said that Mr. Figueiredo had

Possibility of Drop in Oil Prices Raises Thorny Problems for U.S.

By Robert D. Hershey Jr.
New York Times Service

WASHINGTON — The possibility of a precipitous drop this spring in oil prices, as energy conservation and the recession bring a continuing decline in prices, raises thorny diplomatic, financial and other issues for the United States.

Government and industry experts say they expect oil prices to continue to soften, and a sizable number of experts maintain that prices could plunge to \$25 a barrel or less from the current spot market price of more than \$30.

Among the potential problems are further strains on the international banking system, increased chances of instability in the Middle East and withdrawal of some of the money that members of the Organization of Petroleum Exporting Countries have invested in U.S. Treasury securities.

The government, however, does not seem alarmed about the prospect and has developed no overall position to address it because officials say they believe the chance of a dramatic price drop is remote. In any event, the United States has little ability, at least in the short run, to influence what happens.

Moreover, and perhaps most importantly, falling oil prices yield several offsetting benefits.

"There are a lot of minuses, but at the same time there are a lot of pluses," said a diplomatic source, adding that he knew of no government contingency plan to deal with a sharp price decline.

The government also appears to be taking no action that would help prevent, or bring about, lower prices. The idea of imposing a fee on imported oil, which received much attention last year, has been little discussed by policy-makers recently.

ly, although the administration was reported Friday to be considering a \$7-a-barrel levy to help cut the budget deficit.

The Department of Energy, which has survived administration attempts to dismantle it because many in Congress believe there

NEWS ANALYSIS

should be a focal point for such issues, has been without an assistant secretary of international affairs for two months, and no appointment is in sight.

Officials at the State, Treasury and Energy departments, as well as a senior bank examiner, generally agreed that while the numerous issues related to world oil prices merited close attention they were not sufficiently compelling to lead the government to proclaim an official "rooting" interest.

"Any abrupt, dramatic change can be disruptive," said a specialist at the State Department, which has emerged as the leader on international energy issues. But he added, "We have other interests as well."

He referred to the fact that welcome economic effects had to be weighed against likely diplomatic complications.

Many government and private analysts say that the biggest danger of a sharp drop in oil prices, by \$8 to \$10, say, from the official level of \$34 for Saudi light crude, is that this could force financially hard-pressed oil exporters such as Mexico, Venezuela and Nigeria into default on their foreign debt.

But many bankers say that the world banking system, with the aid of the International Monetary Fund, could handle one or two such defaults and that only a precipitous decline should be regarded as dangerous.

Moreover, they said, price declines would improve the financial position of many oil importers, such as Brazil, another country with a large foreign debt burden.

"It's a two-edged sword," said an official at the Comptroller of the Currency's office. He added: "Our examiners continue to pay extra attention to energy-related loans."

Concern has also been expressed that further erosion of the oil revenues of Saudi Arabia, whose production is half what it was 18 months ago, could cause it to re-

Mexican Leader Disbands Police Plainclothes Unit

New York Times Service

MEXICO CITY — President Miguel de la Madrid has dissolved the capital's most feared and criticized police agency as the first step in a promised campaign to improve the nation's law-enforcement agencies.

A government decree published Friday said the Directorate of Investigations for the Prevention of Delinquency, a branch of the Mexico City police, will be disbanded at once. The plainclothes unit's rolls will be purged of individuals unfit for police duty, government sources said, and the rest will be reassigned.

The unit of 1,500 detectives was commonly considered to be a political police organization with extraordinary powers. It had been accused of making arbitrary arrests, using brutal methods to extract confessions and of soliciting bribes from suspects.

Salvadoran Expected To Quit Defense Post In the Next 3 Months

By Christopher Dickey
Washington Post Service

SAN SALVADOR — After three years as the strong man of El Salvador's U.S.-backed army, Defense Minister José Guillermo García is expected to leave his post within three months, according to senior military and civilian officials here.

Private confirmation of General García's expected departure follows the six-day mutiny in Cabañas province that ended Wednesday.

The officers' rebellion is being seen as a symptom of what the officials say has been growing disenchantment with the general who has held the powerful Defense Ministry through three otherwise complete changes of government since 1979.

For both the Reagan administration and the civilian and military leaders it supports here, General García's likely resignation could be a mixed blessing. General García is increasingly seen as an impediment to effective military strategy against the leftist guerrillas.

The officials indicate that his departure could help bring about not only the tactical military changes that Washington seeks, such as aggressive, small-unit patrols, but also shifts in the leadership of the security forces, which are often associated with criticism of the country's human rights policies.

The shifts would include the removal of several of General García's longtime associates.

Some officials are concerned that the U.S.-endorsed agrarian reform will lose a vital patron if General García departs, and that the forces on the ultralight will be able to take advantage of a resulting confusion in the army.

General García has made no public indication of his intention to resign and there is strong sentiment among many officers that he should not do so following a mutiny. But as one influential commander put it, "It's impossible for

someone to hold onto a position when he has so many problems."

A well-informed government official familiar with the inner workings of the armed forces said several groups in the army want to see General García removed. The groups appear to form a majority. A widespread complaint against General García is of cronyism and maintenance of personal power at the expense of the war effort.

So far as the right is concerned, it is because of General García's stand on agrarian reforms that he has been "condemned," said one of his associates.

In June, after years of equivocation on agrarian reforms, with politicians left to carry out what many in the armed forces were believed to oppose, General García came down solidly in favor of the changes. His move stopped rightist attempts to cancel the reforms.

Shortly after that, prominent members of private business organizations began publicly questioning the defense minister's conduct of the war.

The rightists would roll back the agrarian and other reform programs aimed at dispersing the wealth of the oligarchy that has run the country.

The U.S. Embassy's public position regarding General García has been to maintain strict neutrality, although in the last year it had been his staunch ally.

Rebels Claim to Seize Town

Leftist guerrillas claimed Saturday that they had captured the army's northernmost outpost in Morazan province. The Associated Press reported from San Salvador.

A rebel commander said guerrillas entered the town of Jocoaticque, 126 miles (202 kilometers) northeast of San Salvador, on Friday.

A military commander in the provincial capital of San Francisco Gotera denied the rebel report. "There's no problem," he said when contacted by telephone.

Nonaligned Delegates Limit Blame on U.S.

MANAGUA — Delegations from nonaligned nations said in a communiqué Saturday that the situation in El Salvador was deteriorating, and they alleged that the United States had used Israel to intervene in Latin America.

The final communiqué of the 49-member Coordinating Bureau of the Nonaligned Movement avoided much of the anti-U.S. rhetoric that marked the weeklong debates between radical and moderate delegates.

"The situation in El Salvador has continued to deteriorate due to the continuation of imperialist intervention and repression," the communiqué said, deleting a previous reference to U.S. involvement in El Salvador.

Efforts by moderate delegates to avoid specifically singling out the United States were seen again in a statement on Honduras-based Nicaraguan rightists that said that they "formed part of a deliberate plan to harass and destabilize Nicaragua, as was publicly admitted by a foreign power."

The statement was an obvious reference to reports that President Ronald Reagan had approved a \$19-million CIA plan to destabilize Nicaragua's leftist government.

Although the meeting focused on problems confronting Latin America, Arab nations led a drive to attack Israel, a delegate said. The final document denounced the "use of Israel by the United States in its interventionist practices" in Latin America.

The communiqué said the ministers agreed that Israel, which is "a principal ally of the fascist and racist regimes and the architect of the policy to eliminate the Palestinian people, has reached the peak of imperialism and racism."

Foreign Minister Bureos Ghali

Guatemala Will Narrow Claim on Belize Territory

GUATEMALA CITY — Guatemala, in a major shift of policy, will withdraw the bulk of its 100-year-old claim to Belize during talks with Britain over the former British colony, according to President José Efraín Ríos Montt.

General Ríos Montt said Guatemala would maintain that it has sovereignty only over one portion of Belize, the 1,866-square-mile (4,851.6 square-kilometer) Toledo district between the Guatemalan border and the Gulf of Honduras. The district includes the coastal city of Punta Gorda. Belize covers 8,800 square miles.

"Before, Guatemala claimed the territory of Belize, but now the Guatemalan position has changed," General Ríos Montt said Thursday. "We want the district of Toledo to form part of our territory."

He said the new position was based on cultural traditions, geography and national security. Guatemala, which broke diplomatic relations with Britain in 1963 and consular relations after Belize became independent in 1981, is scheduled to open talks with Britain in New York on Jan. 24.

In London, the British government said it would withhold formal comment until it received the text of General Ríos Montt's statement. A Foreign Office spokesman said the development could mark a significant advance in the long-running territorial dispute over Belize.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

The Shards of Lebanon

No issue of substance required a month-long wrangle merely to set the agenda for negotiations about Israel's withdrawal from Lebanon. Off-stage voices, from Saudi Arabia or Syria, frightened the Lebanese about implying in any way that they were making a full peace. Israel, eager to pacify domestic dissent against its invasion, sought to create precisely that impression. And meanwhile, thousands of traders and tourists were crossing the border, expressing compatible urges that do not need to be labeled "peace."

The terms of Israel's departure should not be hard to write: Beirut and Jerusalem agree on coexistence and security arrangements. But the wrangling shows that many hands are needed to reassemble the shards of Lebanon. Those who aspire to a broader peace will have to direct those hands and overcome many domestic discontents.

Unless Syria agrees to withdraw simultaneously, abandoning its hopes for expansion, Lebanon will remain an occupied, essentially partitioned country.

If Jordan's King Hussein persists in making Israel's departure from Lebanon the precondition for negotiating about the West Bank, he will yield control over events to the Syrians and their Soviet and Saudi paymasters.

If even the Egyptians behave as if they are ashamed of their peace with Israel and do not end their vitriolic propaganda, the Israelis can hardly be expected to trust deals with other neighbors. And if all that Israelis want is to

discourage talks with King Hussein, thus to gain time to colonize the West Bank, they will find many more pretexts in this maneuvering over Lebanon.

Lebanon's present agony will end only if the Palestinian roots of the problem are finally addressed. In practical terms, that requires creating an autonomous Palestinian West Bank in the context of a secure peace between Israel and Jordan.

The West Bank's sovereignty may be left open, but its political rights need to be real. If Jordan, Egypt, Saudi Arabia and Lebanon lack the strength and the will to move in that direction now, with American backing, they will soon find the territory altered to the point where even this solution is impossible.

Properly protected, West Bank Palestinians would surely cooperate in the effort. Yasser Arafat's Palestine Liberation Organization may not, but he well knows that opportunity is slipping away. His assertion, in Moscow, that an "independent" Palestinian state in the West Bank might "voluntarily" accept confederation with Jordan is a backhanded, if inadequate, tribute to President Ronald Reagan's peace plan.

America's best talents should not now be wasted on the Lebanese sideshow. The task at hand is to bring King Hussein into negotiations with Israel, and to help protect him against those off-stage voices that still can say nothing more than no.

—THE NEW YORK TIMES.

More Than Rostow

There appears to be no special policy significance to the changes President Ronald Reagan has announced in his arms control team. The changes are, however, richly revealing of the complex political currents buffeting the administration from within and without.

Eugene V. Rostow, dismissed as director of the Arms Control and Disarmament Agency, brought to Washington a strong, defense-minded conservatism, but did not succeed in becoming either a major player in policy formulation or, from the standpoint of White House political operators, a reliable team player. When the White House denied its support in the Senate for the Foreign Service professional whom Mr. Rostow had sought as his deputy, his humiliation was complete. So the departure of this somewhat old-fashioned spokesman for international rectitude is a victory for the most conservative wing of Mr. Reagan's party, but it is not only that.

The proposed replacement for Mr. Rostow, Kenneth L. Adelman, 36, has been deputy American representative at the United Nations. A foreign affairs generalist, he is neither a technician nor a theologian in arms control, and shares the administration's general reserve toward the process. Interestingly, though he is a practicing Reaganite, he has not hesitated to support the confirmation campaign of Richard Burt, whose nomination to a high State Department post has been held up for nine

months by conservative forces in the Senate.

The other official leaving now, mostly for personal reasons, is Richard Staar, chief negotiator at the long-running talks on conventional arms cuts in Europe. One likely choice to succeed him was the American ambassador to East Germany, Herbert Okun, but the conservative "hit squad" got him with a fusillade of press leaks that portrayed him as a soft-liner. The president then came up with Morton Abramowitz, the career diplomat whose nomination as chief of Asian affairs was derailed, by those same conservatives, last year. Mr. Abramowitz is an Asia specialist. He is also one of the State Department's ablest officers and one whose treatment had become for the Foreign Service a test of the administration's respect for professionalism.

In short, the two are men of competence and independence, and their nominations solve a couple of embarrassing personnel problems for the administration. How soon they will come to be accepted by their peers as important actors in the policy process is another question — and not a small one in light of the fact that 1983 is bound to be a year of difficult negotiating decisions. The "grand game" in Washington — the struggle to influence the president — is coming increasingly to focus on these negotiations, the nuclear talks and the conventional arms talks as well.

—THE WASHINGTON POST.

Other Opinion

Nakasone's U.S. Visit

Yasuhiro Nakasone will be in town for his first top-level meeting with Ronald Reagan and you would have thought, from the sound and fury over Japanese defense and trade policies, that he could have hardly picked a less propitious time.

But timing turns out to be not the least of Mr. Nakasone's considerable political talents. He will have with him detailed documentary evidence of recent decisions by his government that he hopes will serve as a wonderfully upbeat "working paper" for his talks in Washington. One is the new Japanese budget. The caption on a Japanese Embassy press statement nicely conveys the impression Mr. Nakasone himself wants to convey: "Ultra-Austerity Budget Gives Top Priority to Defense Spending." The prime minister will picture Japan as suffering most of the ills the United States is suffering, including a yawning budget deficit, a hold on social welfare and education spending, and unemployment (or underemployment) that is a lot worse than the 2.4-percent figure would imply.

A batch of tariff decisions were made on Christmas Day, and by the time Mr. Nakasone sits down with Mr. Reagan, a further sweetening of trade concessions may have been proposed by the Japanese cabinet. The hope apparently is that when Mr. Nakasone has finished his pitch, there will not be a dry eye in the White House.

That is not quite the way it is going to work. Administration officials are hardly bowled over by the scope of the tariff concessions so far. As for the budget numbers, the Japanese point to the sharply accelerating rate of real

growth in defense outlays — 4.3 percent in the coming year, compared to the 3 percent demanded of European allies. But U.S. officials point instead to the percentage of the Japanese gross national product devoted to the military (0.98 percent) compared to the United States (7 percent).

Mr. Nakasone is hedged in no less than his predecessors by a still-powerful Japanese distaste for things military. But he is more of a hard-liner than his predecessor, and more inclined to move, if cautiously, in the directions the United States wants Japan to move.

—Philip Geyelin in The Washington Post.

Trans-Atlantic Crisis

A knowledge of European mentalities has never been one of the principal characteristics of American leaders. Mr. Reagan does not escape this rule, having allowed the traditional trans-Atlantic malentendus to degenerate into open crisis.

Did Mr. Reagan realize that he was unleashing a new crisis of confidence with the allies last Wednesday when he dismissed Eugene Rostow from the arms control agency and replaced him with Kenneth Adelman, a young Republican known for his particularly hard-line positions? Nothing is less certain.

But press reaction — both American and European — as well as that of several Western leaders, quickly revealed to the White House leader that he had committed a new gaffe, offering a nice gift to the Russians at the moment they were intensifying their campaign of charm and coercion aimed at exploiting the friction between the Old and New World.

—Jacques Amalric in Le Monde (Paris).

Reagan's Shifts on Arms Control Dismay Europe

By Don Cook

PARIS — For a few days last week it looked as though President Ronald Reagan had managed to regain the political and diplomatic initiative from the new Soviet leaders, who have launched what appears to be an effective new peace campaign.

His tone shifted from dismissive to flexible and responsive. Western Europe greeted with relief his announcement that Vice President George Bush would be crossing the Atlantic to explore the thinking of Washington's allies on how best to respond to the Kremlin's overture.

The president's attitude seemed to signal a move away from his rigid ideological line toward a new political strategy in East-West relations — something that is urgently needed in Europe, particularly in view of the growing strength of the peace movements and the anti-nuclear campaigns.

"It is a marked change to hear President Reagan saying that recent Russian overtures mean that there is a serious foundation for progress," said the Financial Times of London.

"The United States and its European allies should do all they can to ensure that there is no unreasonable foot-dragging on the Western side, and that in the increasingly public controversy over arms-control proposals, the West is seen to be taking constructive and reasonable positions."

But by the end of the week, after Mr. Reagan had fired his Arms Control and Disarmament

Agency director, Eugene V. Rostow, this glimmer of hope that Europe had seen in Washington turned to frustration and despair.

Mr. Bush's visit to Europe now takes on a very different focus. It is no longer a mission to seize the initiative in the face of the Soviet peace offensive and begin the process of devising allied strategy for dealing with Yuri V. Andropov and his new team in Moscow.

Mr. Bush's first task now will have to be to assure the allies that Washington still has an arms control policy and a negotiating strategy in Geneva.

"How serious the United States is about disarmament," the Times of London said, "should become evident after Mr. Bush has come to Europe. If it seemed that the Americans were not prepared to negotiate seriously there would be a considerable danger of European opinion becoming so disaffected as to make it exceedingly difficult for any cruise or Pershing missiles to be installed in Western Europe, whether the Soviet Union withdraws its SS-20s or not."

"The crucial point will be whether the United States insists upon the zero-option proposal for intermediate range missiles. There seems little prospect of maintaining a united Western position if the United States takes the view that it must be the zero option or nothing."

Secretary of State George P. Shultz has pub-

licly stepped out in front with soothing reassurances that he is now going to have a bigger hand in arms negotiations.

But Mr. Reagan has still surrendered the agency into the hands of the Republican right wing, which looks on negotiations with the Russians about the way Menachem Begin looks on talks with the PLO.

As evidence of this problem of trust, an opinion poll for the West German government shows that 55 percent of the German voters do not believe that the United States is negotiating in good faith in Geneva, and that 61 percent believe that West Germany should refuse to take any new American missiles on its territory even if the talks there have achieved nothing by the time delivery of those missiles is scheduled to start by year's end.

In the face of public opinion statistics like these, with a West German general election less than two months away, no responsible West German political leader can do anything but plead for American flexibility and pray for arms control progress.

While the Reagan administration marks time and tries to sort out its political-ideological mess, the Europeans are talking to the Russians almost nonstop. A number of Western ambassadors in Moscow have called at the Soviet Foreign Ministry recently to discuss the War-

saw Pact communiqué that set forth the Soviet proposals. France's minister for foreign relations, Claude Cheysson, will soon be going to Moscow, and Soviet Foreign Minister Andrei A. Gromyko will be making an official visit to Bonn before the crucial elections March 6.

Behind all this is a deep European sense of unease that a historic opportunity may be kicked away by a combination of Mr. Reagan's hard-line ideology and lack of leadership.

Very much on the minds of European diplomats and political leaders just now is the memory of 1953, when Stalin died and Churchill took over again as Britain's prime minister. Churchill made a strong plea in the House of Commons for a Big Four summit meeting to explore the broad issue of peace in Europe.

But President Eisenhower was at best cautious, and his secretary of state, John F. Dulles, was wholly opposed to the idea. It is not often that there is a major change in the Kremlin — the death of a Stalin or a Khrushchev — that presents a "window of opportunity." And bringing in a new, right-wing administration at this historic juncture is no reassuring act of leadership by Mr. Reagan.

The writer is the Los Angeles Times correspondent in Paris.

A Single, 6-Year Term An Old Idea Is Revived

By Clayton Fritchey

WASHINGTON — January is the president's month — any president's. In quick succession, the chief executive must deliver his annual State of the Union message, outline his economic plans for the year ahead and, above all, formally present the new federal budget.

It is a month that generally inspires a fresh round of reflections on the presidency, accompanied by the introduction of reform bills and constitutional amendments aimed at changing the scope of the office and the system of government that goes with it.

There are more proposals than usual this year. That nearly always happens when the incumbent president, as in the case of Ronald Reagan, is at odds with the public, the Congress, and the leaders of his own party, provoking confusion and stalemate.

Three initiatives in the 98th Congress have attracted serious attention and won the support of prominent political leaders and Constitutional scholars.

One of the amendments would extend the presidential term from four to six years, but forbid re-election. A second would repeal the 22d Amendment, which limits the president to two four-year terms.

Still another idea that has gained ground suggests the possibility of changing to some form of parliamentary government that would eliminate or sharply reduce the present division of authority between the executive and legislative arms of government.

The nonrenewable six-year term has a long history: it was first proposed in 1826.

Overall, 40 proposals for six-year terms have been introduced in Congress, and in 1913 the Senate, but not the House, passed such a bill. Finally, in 1947, in a "posthumous revenge" against four-term winner Franklin D. Roosevelt, a Republican Congress passed the 22d Amendment, limiting the presidency to two four-year terms.

Interest in the single six-year term has been revived by the support of three former presidents — Jimmy Carter, Richard M. Nixon and Lyndon B. Johnson. Mr. Carter went so far as to say that if he could change

the Constitution "just by the use of a pen," he would limit the president to one six-year term.

The questionable logic of the term limit is that if a president can succeed himself he will be "the politics" and presumably a more dependent chief executive. In practice, however, nearly all U.S. presidents, especially the notable ones, have made their reputations in first term.

Clark Clifford, an adviser to several presidents, has said that "a president immunized from political considerations is a president who is not listen to the people, respond to majority sentiment, or pay attention to views that may be diverse, tense and perhaps at variance with his own."

Even some of Ronald Reagan's close advisers, dismayed at his loss in the polls, fear he has lost contact with the public and the Congress. They recall that Mr. Reagan, just after his election in 1980, said he determined "to behave as if it were one-term office."

In a mid-term assessment of Reagan presidency, scholars at Princeton University gave Mr. Reagan good marks for ideological consistency, but some wondered if he would be adaptable enough to sustain his leadership.

Richard Neustadt, Harvard noted presidential authority, said that the "definition and possibility of the Reagan presidency" was necessarily away from the probability of a third year of his term.

"The first two years," he said, "not historically very good guides to the policy legacy, performance, or perception of the verdict of history Mr. Reagan, he said, may be an exception, adding:

"Everything done so far has Reagan's reputation and status mortgaged now to the chancy question of whether we have an economic upturn in 1983, which leads to restoration of confidence in 1984 whether we have an accumulation of shocks in finance or trade or in comparable to 1931, which spins us into a depression. This is what of my economist friends tell me within the realm of possibility."

Newsday.

LETTERS TO THE EDITOR

Chaos of Democracy

Regarding "The Bishops and the Arms Race" (HT, Jan. 1): The somewhat unrealistic approach of practically all the answers published is astounding. Obviously, even vast U.S. nuclear superiority cannot prevent the Soviet Union from continuing its

nibbling away at the world with conventional forces, as the reach of conventional U.S. forces is insufficient to counter the Soviet reach.

The American policy of walk the brink has continued to fail in the time of John Foster Dulles. It is no reason to believe that it will succeed in the future and there is no alternative to giving the overextended Soviet empire enough rope to hang itself, and to counter its expansion a far more vigorous and audacious democratic world revolution.

ALEXANDER LUKULI, Vienna

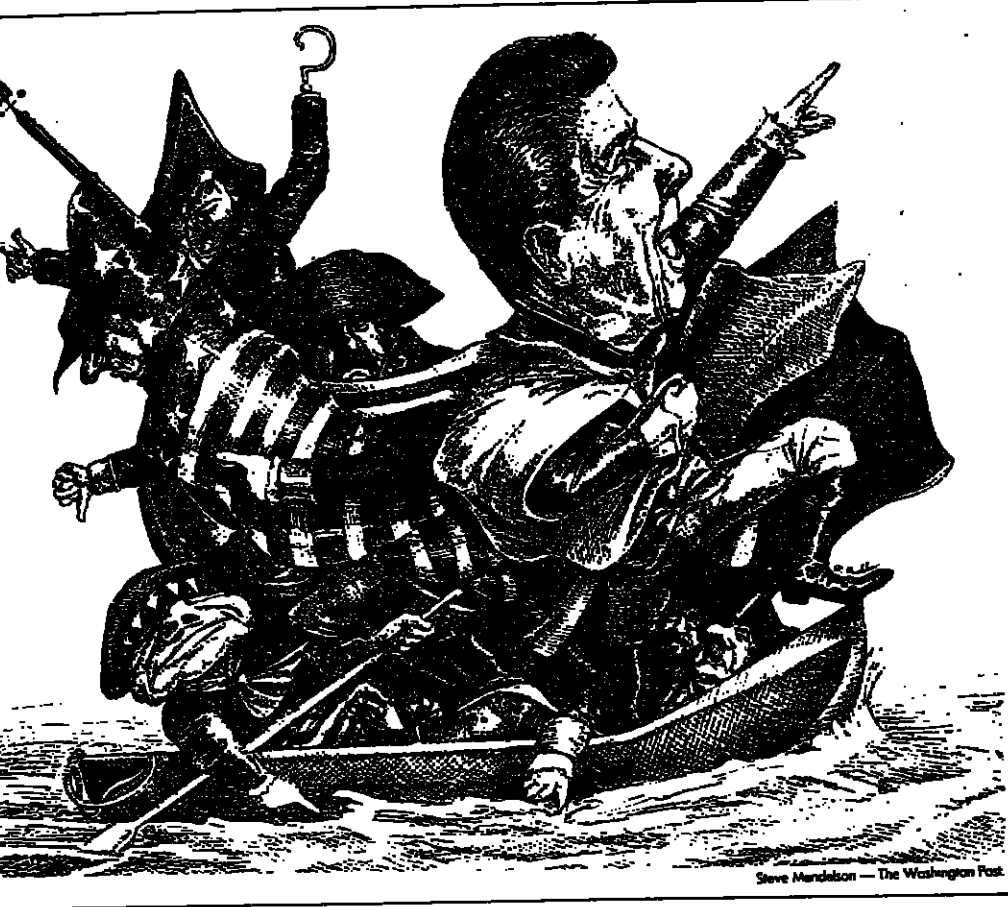
The 'Psycho' Scene

Regarding "Hitchock's Gun" (HT, Jan. 1): I doubt that Dan Spoto says in his new book on Al Hitchcock that the shower scene in "Psycho" was directed by Sam Bass. The man's name is Saul Bass. He should know. Saul Bass is one of America's foremost graphic designers (and, alas, not often enough in makers. He is also the man who has changed the face of the design film credit titles.

As to whether Mr. Bass and Mr. Hitchcock directed this particular sequence, Mr. Bass admitted in an interview with me in December 1972, printed in two British magazines the following year.

Only the diaphanous Hitchcockian believe and report otherwise. Hitchcock (oh yes, I'm a fan, once told me: after spending months co-writing scripts with novelists shooting them in his head as it were — even as far back as 1940 — a trifle bored with having to do them over again for real on the set. "Hitch was very nice about it," Saul Bass said about his shooting the shower slaying. "I thought it was a generous thing for him to do it picture. I learned a lot from it. Very nice things emerged from it."

TONY CRAWLEY, Marly-le-Roi, France



Steve Mandelbaum — The Washington Post

Hoping 'Something Will Turn Up'

By James Reston

WASHINGTON — Since the beginning of the year, President Ronald Reagan has been criticized more severely by both parties and the press than at any time since he entered the White House.

The story is the headlines. "The Spreading Panic Over the Reagan Budget," says one in The Wall Street Journal. "Whatever Happened to the Reagan Revolution?" asks another in the even more conservative Washington Times. "The Phasing Out of Reaganism," answers The Washington Post, over a column by its respected political columnist David Broder (HT, Jan. 12).

More important, in these few days since the turn of the year, two of the president's cabinet members have resigned: he has had to quell a revolt over the administration of his nuclear arms policy; and the Republican leader of the Senate, Howard Baker of Tennessee, has let it be known that he may resign from the leadership and run for the presidency in 1984, if Mr. Reagan does not.

So something is going on here, and whatever it is, it is clearly not a vote of confidence in the president, and this is serious. For Mr. Reagan has to govern for two more years during a crisis of nuclear arms and the world economy.

Mr. Reagan's reaction to all this is interesting. Informed of the gathering storm, he summoned the press and denied that his administration was in "disarray," but suggested that

the press was in "disarray," which may be true but is not exactly a new idea. Despite this, the press keeps talking every morning.

Norman C. Miller, The Wall Street Journal's Washington bureau chief, writes: "A whiff of panic emanates from the Reagan administration. . . . It is a strange scene. Reagan, radiating his usual genial confidence, keeps suggesting that everything will turn out fine."

"The campaign to force the president to recognize reality borders on the bizarre. Frustrated Republicans say Reagan greets proposals for policy changes with silence, Irish jokes or irrelevant pronouncements that he is glad that everyone agrees on the fundamentals."

The administration has denied but ignored these charges. It has mounted a public relations campaign to insist that it is not for the rich and against the poor, not against nuclear arms control but all for it; not against women, since it has just nominated two of them to the cabinet; not indifferent to the opinion of the allies, since it has just instructed Vice President George Bush to go to Europe to consider their interests before negotiating with the Russians.

This is Mr. Reagan's way. There is nothing new about it. He is presiding here over the substance of policy precisely as he did as governor of

California — occasionally, indifferently and inconsistently. The situation is not worse here now, and may be better, because it is more visible and more people know what is going on and what is not going on.

What he is accused of, he denies; and what he says he is defending, he abandons when the opposition is tough enough and public enough.

In short, Mr. Reagan is a politician compromising with problems beyond his control. He fired Eugene V. Rostow at the nuclear agency one day and the next day gave his support to Paul H. Nitze (whom he called "Ed") in his new conference. Secretary of State George P. Shultz, in an effort to reassure everybody, announced that the president was indeed the "boss" and that he was "in charge" of nuclear arms policy, which is consoling only when you know it is not true.

Mr. Reagan pretended, until recently, that he was really in charge of the substance of policy. He was not its master but its spokesman.

So what will Mr. Reagan do now? The guess here is that he will do what comes naturally to him — compromise on both domestic and foreign policy and hope, like Mr. Micawber, that "something will turn up." Later, he will probably announce with a smile and a wave that he is going home to the sunshine in California at the end of his first term, having done the best he could.

The New York Times.

Nakasone Moves Quickly to Dispel Criticism

By Ken Ishii

TOKYO — From the day he took office Nov. 26 as Japan's 16th postwar prime minister, Yasuhiro Nakasone has been moving at a breakneck pace. As if to vindicate his claim that he chose his cabinet on the basis of its ability to get things done and not simply to repay political obligations, he has acted swiftly on both domestic and foreign fronts on a host of issues that have plagued his predecessors.

It has seemed Mr. Nakasone is rushing to get everything done at once, as though he cannot wait to wipe out the image that most Japanese had of him as a stooge of former Prime Minister Kakuei Tanaka. It was the support of the Tanaka faction of the Liberal Democratic Party that brought Mr. Nakasone to power. He gave what many considered an inordinately large number of cabinet portfolios to Tanaka faction members, including the important post of justice minister, under whose jurisdiction a Tokyo district court is now trying Mr. Tanaka on charges of accepting bribe money in the Lockheed case.

In the short time since assuming office, Mr. Nakasone has:

- Steered through a supplementary budget that freezes wages for civil servants;
- Won acceptance for a 6.5-percent increase in next year's military budget while keeping outlays for education, welfare, public works

and other key sectors at or below 1982 levels;

- Promised South Korea \$4 billion in economic loans in an historic visit to Seoul;

- Scheduled a visit to Washington for talks this week with President Ronald Reagan;

- Announced a new package of measures to reduce tariffs and non-trade barriers that go much beyond steps previously taken in response to U.S.-EC pressure, and which should, in the Japanese view, end criticism that Japan is dragging its feet in opening up its markets;

- Sent Foreign Minister Shintaro Abe on a swing of EC countries. The tour is intended not to produce specific results so much as to indicate the Nakasone government's concern over the European trade deficit with Japan;

- Agreed to provide the United States with military-related technology — something Tokyo had been hesitant to do because of its rule against military exports;

- Broken a longstanding taboo by openly discussing the possibility of revising the constitution, which no high official had dared do publicly because it implies changing the no-war, no-arms clause;

- And committed his administration to continuing efforts to streamline the bureaucracy.

To those who know him, the prime minister's remarkable movement on these matters is as much part of his desire to dispel criticism of his cabinet selection — "just wait and see what we do" were his words to reporters at his inaugural press conference — as part of his orientation and personality.

Ever since he attended a Harvard seminar on international issues in 1953 as a young politician, Mr. Nakasone has displayed a more international orientation than his predecessor, Zenko Suzuki, or most of Japan's other postwar prime ministers, except perhaps for Shigeru Yoshida, who signed the Japanese peace treaty. Mr. Nakasone is quick to view Japan's welfare in relation to the rest of the world, particularly the Western world.

And he has an un-Japanese habit, especially for a politician, of saying what he thinks, which has got him into trouble in the past but which, as prime minister, seems to be working to his advantage.

In a country where rule by consensus discourages the emergence of strong leaders, Mr. Nakasone comes as a refreshing change, and the reaction of the press and public has been generally favorable.

Mr. Nakasone's rating in public opinion polls has improved since he took office. By bringing the debate

on constitutional revision into the open, he has enhanced his image as an outspoken leader.

But strong leadership is no assurance of a long tenure. The factional rivalry in the Liberal Democratic Party today is as fierce as ever. Although Mr. Nakasone has the backing of the mainstream factions, of which the Tanaka grouping is the largest, shifts in factional alignments — a continuing process in Japanese politics — could erode his power base.

The prime minister will face his first major test later this year, probably in October, when a verdict is expected in Mr. Tanaka's trial. The prosecution's summation is scheduled for late January and the defense summation in May.

The question is how much a guilty verdict, which almost everyone predicts, will affect Mr. Tanaka's political influence. The former prime minister has shown an ability to weather the indignity of the charges. His faction today is numerically stronger than when the Lockheed scandal emerged.

But a guilty ruling could bring down the Tanaka house of cards, and a verdict of not guilty would invite charges of interference in the judicial process by Tanaka-faction cabinet members. Either way Mr. Nakasone will find himself in an uncomfortable position.

International Herald Tribune.

FROM OUR JAN. 17 PAGES, 75 AND 50 YEARS AGO

1908: Japan's Defense Spending

PARIS — Today's editorial in the Herald reads: "The news from the Far East shows that symptoms of unrest continue to multiply. The Japanese cabinet has undergone a partial crisis. The majority of its members favor largely increasing military expenditure. The minister of finance declared that this would tax the financial resources of the country to breaking strain, and decline to accept this responsibility. This tendency to push military expenditure to its furthest limits is calculated to cause a certain amount of anxiety. The only encouraging feature is that a considerable portion of the Japanese are beginning to cry halt to the excessive expenditure."

1933: A Warning on Debt

LONDON — The Times, in an editorial, serves a warning to the United States against the danger of any "attempt to use the debts as a bargaining weapon" as regards other international economic, political or disarmament problems. In view of the paper's reputation for usually expressing a semi-official British viewpoint on international affairs, today's declaration regarding the debt question may have considerable importance. The editorial begins by urging the necessity for a final settlement "on the lines of the Lausanne agreement about reparations, wiping out the whole system of intergovernmental payments by a final transaction that doesn't disturb exchanges."

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International Herald Tribune, 181 Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France. Telephone 747-1265. Telex 612718 (Herald). Cables Herald Paris.

Director de la publication: Walter N. Thayer
Gen. Mgr. Asia: Alan Lecar, 24-36 Hennessey Rd., Hong Kong. Tel. 5-285618. Telex 61170.
S.A. au capital de 1.200.000 F. RCS Nanterre B 3302174. Commission Paritaire No. 24231.
U.S. subscription: \$250 yearly. Second-class postage paid at Long Island City, N.Y. 11101.
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هكمان الأمل

North Germany Faces Hard Times Quietly

With 21% Already Out of Work, One Town's Factory Will Close

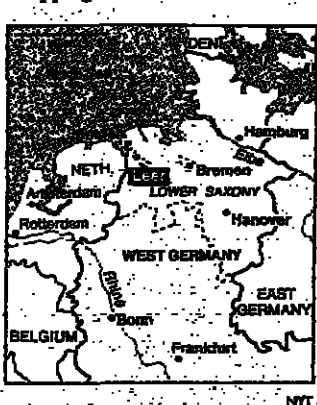
By James M. Markham

New York Times Service

LEER, West Germany — "Leer" means "empty" in German, and the name is an apt evocation of the desolate moors and flat pastures, crisscrossed with canals and dotted with windmills, that reach out from this town on the northern frontier with Holland.

But the 32,000 people of Leer, who take pride in a sense of human scale and big vistas that are hard to find in industrialized West Germany, have another, unhappy distinction. In the national unemployment figures, Leer and its surrounding county are at the top, with 21.2 percent out of work.

East Frisia, the tabulators quickly add, has always had too many people and too few jobs. The mechanization of its grain and dairy farms pushed people off the land and into the port towns of Emden and Leer. Unemployment is mildly seasonal, dropping a little in summer when



tourists head to the North Sea islands.

Hardship in the last century sent East Frisians to distant Illinois and Iowa and in the 1920s to remote Australia, but today the bounty of the postwar welfare state has strengthened a disinclination to move. "East Frisians cling to their land," acknowledged Günther Boekhoff, the town's mayor, a big-limbed Social Democrat.

Something newer, and more unerving, than what economists call "structural unemployment" lies behind a jobless rate that will go over 25 percent when AEG Telefunken, the insolvent conglomerate, closes an Olympia typewriter factory in Leer. The shrinkage of Leer's tiny industrial base is a reflection of the alarming downturn in the West German economy during the last two years.

The statistics are eloquent. In 1980, when the nation's unemployment rate stood at 4.8 percent, the rate in the backwater of Leer was 8.1 percent. Now the national rate is 9.1 percent, and Leer's jobless rate is 12.1 points over that, and accelerating.

Yet it is hard to sense hardship, to feel panic or to detect any sign of poverty among the squat, red-brick houses on Leer's tidy, cobble streets.

The signals of trouble are muted. Many houses are put up for sale in the local daily, the Ostfriesen Zeitung, and there are few buyers. Mayor Boekhoff has just cut his recreation budget by 20 percent. Karin Fränders, 29, a part-time taxi driver, complains that she will not be able to con-



Employees of the Olympia typewriter factory protest a planned plant closing in Leer, West Germany, where unemployment has already reached 21 percent.

tinue her university studies because Bonn has slashed student loans.

"One has not become accustomed during the last 25 years to the idea of being unemployed," explained the Reverend Hajo Müller, a Lutheran pastor with a reputation for political engagement. "When you ask a man in Leer what he does, he gives you his profession. Only if you ask will he tell you he has no job."

"The people," the pastor continued over a cup of the highly sweetened tea that is consumed here in generous quantities, "can hardly tell from door to door that a father is out of work. The people are still hoping that we have reached the bottom, that things will be getting better."

Few such hopes flicker at AEG's Olympia typewriter factory, which sits on a little island in Leer's harbor on the swift river Leda.

"When Olympia started in 1957," Hermann Siemens, the chain-smoking factory union chief, said bitterly, "people

thought that this was a job that was sure for life."

But competition from Japan cut into Olympia's world market; to beat the high West German wage costs, components were transferred to Yugoslavia and another unit was set up in Hungary. Last summer, AEG went into receivership and announced that the Leer plant would be closed in June; it had already cut its work force here from 2,500 to 600.

"On the whole North Sea coast, there is no other place where you can find a job," Mr. Siemens, 62, said. "In 1983 the situation is much worse than it was in 1950. Then there were a lot of small companies. Now there are just big ones."

The Olympia workers' reaction to the disappearance of Leer's single biggest employer has been outrage, a flash of determination and, now, resignation.

When the news broke, the workers did an unusual thing in tranquil Leer: They staged a protest demonstration. They sent an-

other protest delegation to the Lower Saxony state capital, Hannover, to see what the politicians could do. Now they are trying, with fading expectations, to find a company that will take over, and even retrofit, the factory.

"It's most difficult for the people who are 45 to 55," said Mr. Siemens, who plans to retire. "They will never find another job." He joked ruefully: "The ideal job-seeker should be 25 years old and have 30 years' experience."

The politicians can offer East Frisia little hope of an economic revival. Bonn has approved the building of a long-planned highway that will link Leer and Emden with the country's industrial heartland farther south. But another proposal for extending Emden's harbor languishes. Within a European Community regional development scheme, the Netherlands opposes the competition that an enlarged Emden port might pose for Rotterdam and other Dutch ports.

Meyer Lansky Is Dead; Reputed Crime Genius

By Robert D. McFadden

New York Times Service

NEW YORK — Meyer Lansky, 81, who allegedly amassed a fortune in a variety of illegal enterprises ranging from bootlegging and gambling to stock manipulation and loansharking, died of cancer Saturday in Miami Beach.

"He would have been chairman of the board of General Motors if he'd gone into legitimate business," an agent of the Federal Bureau of Investigation once said of Mr. Lansky. And in a moment of triumph, Mr. Lansky once boasted to an underworld associate: "We're bigger than U.S. Steel."

Meyer Lansky, the Russian-born immigrant better known as Meyer Lansky, always called himself a lucky gambler. But according to law-enforcement officials, he was for decades a kingpin of organized crime in the United States, a ruthless man who bet only on a sure thing.

Though he was said to have had some experience as a hired gunman in the 1920s, he had not, by most accounts, personally committed an act of violence for 50 years.

Authorities described him as a genius of finance involved in bootlegging during Prohibition, gambling in Cuba, the Bahamas and the United States and loansharking, stock manipulation and underworld penetration of legitimate businesses across the country.

From an impoverished childhood on New York's Lower East Side, he maneuvered his way up through the ranks of organized crime, as investigators told it, parlaying profits from the Prohibition era into hundreds of illicit and le-

gitimate ventures in New York, Miami, Havana, Nassau, Las Vegas and elsewhere.

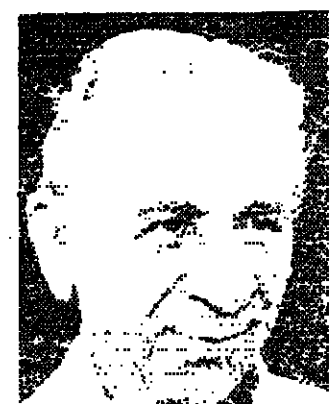
He was said to have been a key figure in the 1934 creation of a national crime syndicate, which brought fragmented gangland empires into a loosely organized national federation. Later he was said to have devised schemes to infiltrate legitimate business and to have set up sophisticated means to skim receipts and evade taxes.

One biographer said a few years ago that Mr. Lansky had amassed a personal fortune of \$300 million, most of it tucked away in Swiss bank accounts, real estate and hidden investments.

Over the years, Mr. Lansky was accused of many crimes, ranging from assault and narcotics charges to contempt of court, tax evasion and, once, long after he had become a multimillionaire, vagrancy. But aside from a few minor run-ins with the law as a teen-ager, he went to jail only once. That was for two months in 1953, on a gambling conviction in Saratoga Springs, New York.

His record included a conviction on only one other charge — a contempt citation in 1973 that was overturned on appeal. Repeated prosecutions ended in acquittals or were thwarted by trial delays arranged by his batteries of lawyers or prompted by his frequent bouts of allegedly poor health.

Mr. Lansky's name became virtually a household word after hearings by the Senate Crime Investigating Committee in 1950 and 1951. The Kefauver Committee, as it was known, conducted the most far-reaching study of organized



Meyer Lansky

crime ever undertaken, and Mr. Lansky — named as a major boss — was called to testify, but he provided little helpful information.

Mr. Lansky became an international cause célèbre in the early 1970s when he retired to Israel and refused to return to the United States to face two federal indictments. He sought to remain in Israel under that country's Law of the Return, which says every Jew has the right to immigrate to Israel, and a two-and-a-half-year legal battle ensued.

Israel asked him to leave after its highest court ruled that his past made him a danger to public safety, and he was arrested when he landed in Miami on Nov. 7, 1972. He eventually beat the charges that were pending against him.

In recent years, while living in seclusion in Miami, Mr. Lansky was mentioned repeatedly in hearings relating to casino licenses in Atlantic City, New Jersey, and in connection with questionable loans from pension funds of the Teamsters union.

David M. Shoup Dies; Led U.S. Marine Corps

New York Times Service

NEW YORK — General David M. Shoup, 78, a World War II hero, a retired commandant of the Marine Corps and an early, outspoken critic of U.S. involvement in the Vietnam War, died Thursday of a heart ailment in Alexandria, Virginia.

General Shoup, who won the Medal of Honor for gallantry at Tarawa in the Pacific, said he believed the build-up of U.S. forces in Vietnam was unjustified. He called President Lyndon B. Johnson's contention that the Vietnam War was vital to U.S. interests "pure, unadulterated poppycock."

In 1966, three years after his retirement from the Marine Corps, General Shoup told students at Pierce College in Los Angeles that he did not think "as related to the present and future safety and freedom of this country" that "the whole of Southeast Asia was worth a single American life."

"People keep talking about four presidents having made commitments," he said in an interview in 1968. "We never made commitments, legal or otherwise, to furnish combat-type forces to anyone."

William Dole, 65, an artist who was known as one of the most distinguished practitioners of collage, died Thursday in Santa Barbara, California.

He worked with words — written, printed or engraved — as much as with color and texture. His raw materials were of every imaginable kind, including early maps, 19th-century bills and ephemera, old handwritten letters, specimens of marbled paper and papers imported from Japan for use in the manufacture of artificial roses.

Other Deaths: Vladimir Bakur, 70, a vice president of Yugoslavia for Croatia and the last of the closest aides of Tito still in power, Sunday in Zagreb.



General David M. Shoup

Warsaw Seeks to Limit Hiring by Journalists

By Dan Fisher

Los Angeles Times Service

WARSAW — Officials have drafted an amendment to the Foreign Ministry decree governing the accreditation of foreign journalists that would require correspondents to hire translators and other local employees exclusively through state institutions, the Los Angeles Times has learned.

The amendment, which a well-placed official said was "98 percent certain" to be adopted, is reportedly aimed both at curbing the independence of foreign news-gathering operations and at generating hard-currency income for the state.

Foreign correspondents are now permitted to hire Polish staff members directly, although Foreign Ministry and local employment officials must approve them. The draft amendment would be another in a series of recent government moves against Western journalists.

The latest such measure was the expulsion order Thursday against Ruth E. Gruber, 33, bureau chief in Warsaw of United Press International, who was accused of collecting espionage materials.

Two days before the police operation that led to Miss Gruber's expulsion, she held a party in her home that was attended by two senior officials of the disbanded Solidarity trade union who were among the last to be freed when official internment ended Dec. 23, Reuters reported from Warsaw.

[The authorities also appear to be trying to isolate average Poles from contacts with Westerners, especially Americans, Reuters said. It reported that people attending a film at the U.S. Embassy last week were detained for some time afterward by police.]

Earlier, authorities rejected the applications for renewed work permits for nine Poles employed by Western news agencies.

If adopted, the new measure governing employment of Poles by foreign journalists would be similar to that long enforced in the Soviet Union, where all local employees of diplomatic missions and foreign news and business organizations must be hired through the "office for servicing the diplomatic corps."

Westerners in Moscow generally believe that the duties of these staff members include telling the secret police about their employers' activities.

The amendment under consideration in Poland would affect scores of translators, secretaries and office accountants employed by foreign news organizations. Foreign television news teams are already required to hire their film crews, technicians and a "team leader" through the official Polish Interpress Agency.

In a related development, the Communist Party newspaper, Trybuna Ludu, complained Saturday about reports published in the West concerning the recent actions against foreign correspondents.

The reports "are meant to illustrate a broader thesis that attempts to picture Poland as a country that is closing its borders and hindering the flow of information," the newspaper charged.

ents permanently accredited in Poland, including 70 from Western countries.

■ Gruber Arrives in Berlin — Miss Gruber arrived Saturday in West Berlin, UPI reported. During the 10-hour drive from Poland to Berlin, she was accompanied by a U.S. Embassy official. She said the drive was uneventful except that she was stopped once for speeding in Poland.

"When the traffic cop saw my passport, he realized who I was. He gave me a speeding ticket with a smile and said, 'Here you are, your last souvenir from Poland,'" she said.

Miss Gruber, who scheduled a news conference Monday in West Berlin to discuss the expulsion, called the charges against her "completely ridiculous." Interior Ministry officials said Miss Gruber "was interested in information that had a military character and she collected it at the request of UPI headquarters."

S. Africa's Blacks Face Soaring Joblessness

By Joseph Lelyveld

New York Times Service

JOHANNESBURG — South Africans returned to work last week after a midsummer holiday season that annually halts most construction and manufacturing, and there were strong indications that thousands of black migrant workers found they had no jobs to which to return.

Economists at major financial institutions have been predicting that the number of black unemployed could soar by 250,000 or more in the coming months as a result of a simultaneous slump in the country's foreign and domestic markets.

The level of black joblessness in South Africa has been a matter of prolonged dispute between the keepers of the government's statistics and academic experts. The official estimate of black unemployment stands at about 500,000, but government statistics no longer take account of blacks in four tiny black states, or "homelands," that are deemed by South Africa, but no other government, to have gained their independence.

The official statistics also narrowly define the "economically active" black population and ignore those blacks whose presence in the so-called white areas can be regarded as illegal under the country's laws.

There are thought to be more than 23 million blacks, or about 72 percent of the total population, within the country's traditional borders.

Professor Charles Simkins, an economist at the University of Cape Town, argued several years ago that at least 2 million blacks were more or less permanently shut out of the job market because of rigid regulations on black movement in the country, the economic backwardness of the homelands and low levels of education and skills.

Others, attempting to update his figures, speculated recently that black unemployment could be as high as 2.5 million or even 3 million. The higher estimate would amount to nearly one-fourth of the estimated black work force.

Bribery Was Way of Life at Soviet School

Reuters

MOSCOW — Bribery reached such refinement at the Chernigov teacher-training college in the Ukraine that in the English Department there was a sliding scale of charges ranging up to 10 rubles (\$14) for top marks, the Moscow trade union daily Trud reported.

A Russian language lecturer took a one-time payment of 200 rubles (\$280) from her entire class, and the head of sports took Cognac, fish, and cassettes, Trud said. To ensure completion, the head of the examining board was paid off with a television and, in the course of time, more than 1,000 rubles in cash.

The daily said that the staff involved had all been jailed for unspecified terms at a recent trial. It did not say how they had been discovered.

Austria Arrests Dealer Cited in Attack on Pope

By Henry Kamm

New York Times Service

VIENNA — An arms dealer whose name has been mentioned in connection with the pistol used in the attempt on the life of Pope John Paul II has been arrested here in an investigation into the smuggling of a consignment of weapons from Czechoslovakia.

The dealer is Horst Grillmayer. An Interior Ministry official said Friday that Austria was investigating reports from Italy that an Austrian license issued in Mr. Grillmayer's name had been used to buy in Switzerland and sell in Austria the pistol with which Mehmet Ali Agca shot the pope on May 13, 1981.

Italian prosecutors may charge Mr. Grillmayer for gun smuggling with complicity in the shooting of the pope. The Associated Press in Rome quoted two Milan newspapers as speculating Sunday. Under Italian law a person can be charged as an accessory for selling a gun used in a crime, even if he did not know what the weapon was going to be used for.

[Neither Corriere della Sera nor Il Giornale Nuovo cited sources for their stories, and Italian investigators have consistently refused to comment on specifics of the investigation.]

In a telephone interview at his home in Wels, Austria, a state prosecutor, Otto Schimon, said he was preparing a case against Otto Tintner, another arms dealer. He said he would charge Mr. Tintner with violations of the arms law and financial irregularities in connection with the buying and selling of a consignment of weapons that included the pistol that Mr. Agca used.

Mr. Schimon said that the pistol was sold to an unknown person and that, since his case did not concern the attempted assassination in St. Peter's Square, he had not inquired into the identity of the buyer and the circuit by which the weapon reached the Turkish gunman. A Turk, Omar Bagci, has been extradited from Switzerland to Italy and may be charged with providing the pistol to Mr. Agca.

The case in which Mr. Grillmayer was arrested Tuesday night is causing considerable attention here because of the suspicion of, at the least, official Czechoslovak connivance in arms smuggling. A Czechoslovak citizen, Petr Bardon, was arrested at the border crossing point at Kleinhaugsdorf because the Austrian retained car that he was driving contained — in addition to a declared lot of 15,000 rounds of ammunition — 300 undeclared pistols and seven semi-automatic rifles of Soviet design so new that, according to an Austrian customs official, military experts said the type was unknown in the West.

These sophisticated rifles were equipped with special night-sights and are presumably meant for snipers, officials said. The type was

Turkish Official in Iran — The Associated Press — Energy Minister Fahri İkel traveled to Iran Sunday to complete an oil agreement, the Istanbul daily newspaper Cumhuriyet reported. Under the accord, Iran would deliver 5.5 million tons of crude oil to Turkey in 1983 — about 100,000 barrels per day.

MANAGEMENT SCHOOLS SEMINARS & CONFERENCES

STUDY HOTEL ADMINISTRATION IN EUROPE

CORNELL-ESSEC, a joint program between Cornell's renowned School of Hotel Administration and the Ecole Supérieure des Sciences Economiques et Commerciales (ESSEC), is accepting applications for the class of 1985 (entry date: October 1983).

The two-year graduate level course is offered at ESSEC's campus, located 25 minutes from Paris, and requires of candidates:

- an undergraduate degree or the equivalent
- hospitality-industry experience
- proficiency in French and English
- the desire to excel in a challenging profession

Fellowships based on merit and loans available.

Contact: Mlle Marie-France FOUREAULT
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95021 Cergy-Pontoise Cédex - FRANCE
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INTERNATIONAL EXECUTIVE POSITIONS

Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and other selected publications. Comments concerning this feature can be addressed to Juanita Caspari in Paris.

POSITION	SALARY	EMPLOYER	LOCAT.	QUALIFICATIONS	CONTACT	Source
TRADERS		Coastal Int'l (crude/mineral oil products)	Netherlands	1. Product Trader; 2. Crude oil Trader; 3. Rubber Trader.	Miaaz Raz, Coastal Int'l (Rotterdam) B.V., Tevensdijk 25, 3011 XS Rotterdam, The Netherlands.	L.H.T. 6-1-83
DIRECTOR OF INVESTMENTS		Bar Al-Hawal Al-Islami (financial services)	Assiout, Govea	Capable & exp. financial investment prof.; MBA or equiv.; Swiss nat. or permit; or Mediterranean origin.	Bar Al-Hawal Al-Islami (BHW) SA, P.O. Box 606, 1211 Geneva 1	L.H.T. 6-1-83
SENIOR ECONOMIC ADVISER	Competitive	The World Bank	Liverpool, Edeon	Exp. in depl. planning & in preparation, evaluation & implementation of investment projects; Eng., Fr.	Ref. No. 13-4-FRM2201, The World Bank, 1818 R. Street, N.W., Washington, D.C. 20433.	L.H.T. 6-1-83
FINANCIAL ANALYST	Competitive	The World Bank	Liverpool, Edeon	Exp. in financial analysis & financial resource mgmt. & planning; Eng., Fr.	Ref. No. 13-4-FRM2201, The World Bank, 1818 R. Street, N.W., Washington, D.C. 20433.	L.H.T. 6-1-83
FINANCIAL CONTROLLER	U.S. \$38-52,000	Skytek (jet courier co.)	Jericho	20-35 yrs. exp. of accounts staff exp.; preparation of financial plans & accounts.	World General Manager (Ref. FCS), Skytek Int'l (B.L.K.) Ltd., Unit 6, Spitfire Estate, Hounslow TW5 8HW.	Financial Times 6-1-83
ACCOUNT EXECUTIVES		E.F. Nathan Int'l (bankers & investment bankers)	Bruce	Established Account Executives.	Clemente Del Drago, E.F. Nathan Int'l, 9 Place du Bourg-de-Four, 1204 Geneva.	L.H.T. 6-1-83
MANAGER Int'l Business Development	Negotiable	Leading U.S. Airlines Co.	Brussels	American nat.; Mgt. in business depl. or mktg. of airlines; negotiation or communication systems.	Box D 1968, International Herald Tribune, 95221 Nanterre Cedex, France.	L.H.T. 6-1-83
Petrol Eng. Projects Leaders	Highly Competitive	Sabir	San Francisco	St. level degree Petroleum Engineers; 8-12 yrs. broadly based tech. exp. in prod. of reserve engineering.	Maitre Jeanes, Sabir Petroleum Co., 1032, 180 Pine St., San Francisco, CA 94111.	L.H.T. 6-1-83
Sales & Tech. Service Executives		Inthone Chemicals & Polymers.	West of London & France	Univ. level chemistry or chemical engineering mba; sales, research & depl. &/or tech. service exp.; Eng. +.	Hugh Jones Associates, Avenue de l'Europe, 230 Box 9, 1150 Brussels.	Frankfurter All. Zeit. 6-1-83
GENERAL MANAGER Germany	Top flight, negotiable	DBL (Wholesale carrier).	Kolobariak (near Frankfurt Airport)	Proven or exp. record of success, profit performance; commercial account & a solid, well-balanced; 35-45; Ger., Eng.	R.E. Davidson, DBL Int'l B.V., Kruisweg 137 B, 2132 NG Wierdenburg, Holland.	Frankfurter All. Zeit. 6-1-83

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DM STRAIGHT BONDS

121	Secunia Bonds	7	3/24	Nov	8/24	127	11.22	12.70
122	North Pacific	9	3/24	Nov	8/24	128	11.22	12.70
123	Bankers Florida	9	3/24	Nov	8/24	129	11.22	12.70
124	Bankers Overseas	9	3/24	Nov	8/24	130	11.22	12.70
125	Bankers Overseas	9	3/24	Nov	8/24	131	11.22	12.70
126	Bankers Overseas	9	3/24	Nov	8/24	132	11.22	12.70
127	Bankers Overseas	9	3/24	Nov	8/24	133	11.22	12.70
128	Bankers Overseas	9	3/24	Nov	8/24	134	11.22	12.70
129	Bankers Overseas	9	3/24	Nov	8/24	135	11.22	12.70
130	Bankers Overseas	9	3/24	Nov	8/24	136	11.22	12.70
131	Bankers Overseas	9	3/24	Nov	8/24	137	11.22	12.70
132	Bankers Overseas	9	3/24	Nov	8/24	138	11.22	12.70
133	Bankers Overseas	9	3/24	Nov	8/24	139	11.22	12.70
134	Bankers Overseas	9	3/24	Nov	8/24	140	11.22	12.70
135	Bankers Overseas	9	3/24	Nov	8/24	141	11.22	12.70
136	Bankers Overseas	9	3/24	Nov	8/24	142	11.22	12.70
137	Bankers Overseas	9	3/24	Nov	8/24	143	11.22	12.70
138	Bankers Overseas	9	3/24	Nov	8/24	144	11.22	12.70
139	Bankers Overseas	9	3/24	Nov	8/24	145	11.22	12.70
140	Bankers Overseas	9	3/24	Nov	8/24	146	11.22	12.70
141	Bankers Overseas	9	3/24	Nov	8/24	147	11.22	12.70
142	Bankers Overseas	9	3/24	Nov	8/24	148	11.22	12.70
143	Bankers Overseas	9	3/24	Nov	8/24	149	11.22	12.70
144	Bankers Overseas	9	3/24	Nov	8/24	150	11.22	12.70
145	Bankers Overseas	9	3/24	Nov	8/24	151	11.22	12.70
146	Bankers Overseas	9	3/24	Nov	8/24	152	11.22	12.70
147	Bankers Overseas	9	3/24	Nov	8/24	153	11.22	12.70
148	Bankers Overseas	9	3/24	Nov	8/24	154	11.22	12.70
149	Bankers Overseas	9	3/24	Nov	8/24	155	11.22	12.70
150	Bankers Overseas	9	3/24	Nov	8/24	156	11.22	12.70
151	Bankers Overseas	9	3/24	Nov	8/24	157	11.22	12.70
152	Bankers Overseas	9	3/24	Nov	8/24	158	11.22	12.70
153	Bankers Overseas	9	3/24	Nov	8/24	159	11.22	12.70
154	Bankers Overseas	9	3/24	Nov	8/24	160	11.22	12.70
155	Bankers Overseas	9	3/24	Nov	8/24	161	11.22	12.70
156	Bankers Overseas	9	3/24	Nov	8/24	162	11.22	12.70
157	Bankers Overseas	9	3/24	Nov	8/24	163	11.22	12.70
158	Bankers Overseas	9	3/24	Nov	8/24	164	11.22	12.70
159	Bankers Overseas	9	3/24	Nov	8/24	165	11.22	12.70
160	Bankers Overseas	9	3/24	Nov	8/24	166	11.22	12.70
161	Bankers Overseas	9	3/24	Nov	8/24	167	11.22	12.70
162	Bankers Overseas	9	3/24	Nov	8/24	168	11.22	12.70
163	Bankers Overseas	9	3/24	Nov	8/24	169	11.22	12.70
164	Bankers Overseas	9	3/24	Nov	8/24	170	11.22	12.70
165	Bankers Overseas	9	3/24	Nov	8/24	171	11.22	12.70
166	Bankers Overseas	9	3/24	Nov	8/24	172	11.22	12.70
167	Bankers Overseas	9	3/24	Nov	8/24	173	11.22	12.70
168	Bankers Overseas	9	3/24	Nov	8/24	174	11.22	12.70
169	Bankers Overseas	9	3/24	Nov	8/24	175	11.22	12.70
170	Bankers Overseas	9	3/24	Nov	8/24	176	11.22	12.70
171	Bankers Overseas	9	3/24	Nov	8/24	177	11.22	12.70
172	Bankers Overseas	9	3/24	Nov	8/24	178	11.22	12.70
173	Bankers Overseas	9	3/24	Nov	8/24	179	11.22	12.70
174	Bankers Overseas	9	3/24	Nov	8/24	180	11.22	12.70
175	Bankers Overseas	9	3/24	Nov	8/24	181	11.22	12.70
176	Bankers Overseas	9	3/24	Nov	8/24	182	11.22	12.70
177	Bankers Overseas	9	3/24	Nov	8/24	183	11.22	12.70
178	Bankers Overseas	9	3/24	Nov	8/24	184	11.22	12.70
179	Bankers Overseas	9	3/24	Nov	8/24	185	11.22	12.70
180	Bankers Overseas	9	3/24	Nov	8/24	186	11.22	12.70
181	Bankers Overseas	9	3/24	Nov	8/24	187	11.22	12.70
182	Bankers Overseas	9	3/24	Nov	8/24	188	11.22	12.70
183	Bankers Overseas	9	3/24	Nov	8/24	189	11.22	12.70
184	Bankers Overseas	9	3/24	Nov	8/24	190	11.22	12.70
185	Bankers Overseas	9	3/24	Nov	8/24	191	11.22	12.70
186	Bankers Overseas	9	3/24	Nov	8/24	192	11.22	12.70
187	Bankers Overseas	9	3/24	Nov	8/24	193	11.22	12.70
188	Bankers Overseas	9	3/24	Nov	8/24	194	11.22	12.70
189	Bankers Overseas	9	3/24	Nov	8/24	195	11.22	12.70
190	Bankers Overseas	9	3/24	Nov	8/24	196	11.22	12.70
191	Bankers Overseas	9	3/24	Nov	8/24	197	11.22	12.70
192	Bankers Overseas	9	3/24	Nov	8/24	198	11.22	12.70
193	Bankers Overseas	9	3/24	Nov	8/24	199	11.22	12.70
194	Bankers Overseas	9	3/24	Nov	8/24	200	11.22	12.70
195	Bankers Overseas	9	3/24	Nov	8/24	201	11.22	12.70
196	Bankers Overseas	9	3/24	Nov	8/24	202	11.22	12.70
197	Bankers Overseas	9	3/24	Nov	8/24	203	11.22	12.70
198	Bankers Overseas	9	3/24	Nov	8/24	204	11.22	12.70
199	Bankers Overseas	9	3/24	Nov	8/24	205	11.22	12.70
200	Bankers Overseas	9	3/24	Nov	8/24	206	11.22	12.70
201	Bankers Overseas	9	3/24	Nov	8/24	207	11.22	12.70
202	Bankers Overseas	9	3/24	Nov	8/24	208	11.22	12.70
203	Bankers Overseas	9	3/24	Nov	8/24	209	11.22	12.70
204	Bankers Overseas	9	3/24	Nov	8/24	210	11.22	12.70
205	Bankers Overseas	9	3/24	Nov	8/24	211	11.22	12.70
206	Bankers Overseas	9	3/24	Nov	8/24	212	11.22	12.70
207	Bankers Overseas	9	3/24	Nov	8/24	213	11.22	12.70
208	Bankers Overseas	9	3/24	Nov	8/24	214	11.22	12.70
209	Bankers Overseas	9	3/24	Nov	8/24	215	11.22	12.70
210	Bankers Overseas	9	3/24	Nov	8/24	216	11.22	12.70
211	Bankers Overseas	9	3/24	Nov	8/24	217	11.22	12.70
212	Bankers Overseas	9	3/24	Nov	8/24	218	11.22	12.70
213	Bankers Overseas	9	3/24	Nov	8/24	219	11.22	12.70
214	Bankers Overseas	9	3/24	Nov	8/24	220	11.22	12.70
215	Bankers Overseas	9	3/24	Nov	8/24	221	11.22	12.70
216	Bankers Overseas	9	3/24	Nov	8/24	222	11.22	12.70
217	Bankers Overseas	9	3/24	Nov	8/24	223	11.22	12.70
218	Bankers Overseas	9	3/24	Nov	8/24	224	11.22	12.70
219	Bankers Overseas	9	3/24	Nov	8/24	225	11.22	12.70
220	Bankers Overseas	9	3/24	Nov	8/24	226	11.22	12.70
221	Bankers Overseas	9	3/24	Nov	8/24	227	11.22	12.70
222	Bankers Overseas	9	3/24	Nov	8/24	228	11.22	12.70
223	Bankers Overseas	9	3/24	Nov	8/24	229	11.22	12.70
224	Bankers Overseas	9	3/24	Nov	8/24	230	11.22	12.70
225	Bankers Overseas	9	3/24	Nov	8/24	231	11.22	12.70
226	Bankers Overseas	9	3/24	Nov	8/24	232	11.22	12.70
227	Bankers Overseas	9	3/24	Nov	8/24	233	11.22	12.70
228	Bankers Overseas	9	3/24	Nov	8/24	234	11.22	12.70
229	Bankers Overseas	9	3/24	Nov	8/24	235	11.22	12.70
230	Bankers Overseas	9	3/24	Nov	8/24	236	11.22	12.70
231	Bankers Overseas	9	3/24	Nov	8/24	237	11.22	12.70
232	Bankers Overseas	9	3/24	Nov	8/24	238	11.22	12.70
233	Bankers Overseas	9	3/24	Nov	8/24	239	11.22	12.70
234	Bankers Overseas	9	3/24	Nov	8/24	240	11.22	12.70
235	Bankers Overseas	9	3/24	Nov	8/24	241	11.22	12.70
236	Bankers Overseas	9	3/24	Nov	8/24	242	11.22	12.70
237	Bankers Overseas	9	3/24	Nov	8/24	243	11.22	12.70
238	Bankers Overseas	9	3/24	Nov	8/24	244	11.22	12.70
239	Bankers Overseas	9	3/24	Nov	8/24	245	11.22	12.70
240	Bankers Overseas	9	3/24	Nov	8/24	246	11.22	12.70
241	Bankers Overseas	9	3/24	Nov	8/24	247	11.22	12.70
242	Bankers Overseas	9	3/24	Nov	8/24	248	11.22	12.70
243	Bankers Overseas	9	3/24	Nov	8/24	249	11.22	12.70
244	Bankers Overseas	9	3/24	Nov	8/24	250	11.22	12.70
245	Bankers Overseas	9	3/24	Nov	8/24	251	11.22	12.70
246	Bankers Overseas	9	3/24	Nov	8/24	252	11.22	12.70
247	Bankers Overseas	9	3/24	Nov	8/24	253	11.22	12.70
248	Bankers Overseas	9	3/24	Nov	8/24	254	11.22	12.70
249	Bankers Overseas	9	3/24	Nov	8/24	255	11.22	12.70
250	Bankers Overseas	9	3/24	Nov	8/24	256	11.22	12.70
251	Bankers Overseas	9	3/24	Nov	8/24	257	11.22	12.70
252	Bankers Overseas	9	3/24	Nov	8/24	258	11.22	12.70
253	Bankers Overseas	9	3/24	Nov	8/24	259	11.22	12.70
254	Bankers Overseas	9	3/24	Nov	8/24	260	11.22	12.70
255	Bankers Overseas	9	3/24	Nov	8/24	261	11.22	12.70
256	Bankers Overseas	9	3/24	Nov	8/24	262	11.22	12.70
257	Bankers Overseas	9	3/24	Nov	8/24	263	11.22	12.70
258	Bankers Overseas	9	3/24	Nov	8/24	264	11.22	12.70
259	Bankers Overseas	9	3/24	Nov	8/24	265	11.22	12.70
260	Bankers Overseas	9	3/24	Nov	8/24	266	11.22	12.70
261	Bankers Overseas	9	3/24	Nov	8/24	267	11.22	12.70
262	Bankers Overseas	9	3/24	Nov	8/24	268	11.22	12.70
263	Bankers Overseas	9	3/24	Nov	8/24	269	11.22	12.70
264	Bankers Overseas	9	3/24	Nov	8/24	270	11.22	12.70
265	Bankers Overseas	9	3/24	Nov	8/24	271	11.22	12.70
266	Bankers Overseas	9	3/24	Nov	8/24	272	11.22	12.70
267	Bankers Overseas	9	3/24	Nov	8/24	273	11.22	12.70
268	Bankers Overseas	9	3/24	Nov	8/24	274	11.22	12.70
269	Bankers Overseas	9	3/24	Nov	8/24	275	11.22	12.70
270	Bankers Overseas	9	3/24	Nov	8/24	276	11.22	12.70
271	Bankers Overseas	9	3/24	Nov	8/24	277	11.22	12.70
272	Bankers Overseas	9	3/24	Nov	8/24	278	11.22	12.70
273	Bankers Overseas	9	3/24	Nov	8/24	279	11.22	12.70
274	Bankers Overseas	9	3/24	Nov	8/24	280	11.22	12.70
275	Bankers Overseas	9	3/24	Nov	8/24	281	11.22	12.70
276	Bankers Overseas	9	3/24	Nov	8/24	282	11.22	12.70
277	Bankers Overseas	9	3/24	Nov	8/24	283	11.	

HIGHEST YIELDS
to Average Life Below 5 Years

[illegible]

HIGHEST YIELDS
to Average Life Above 5 Years

[illegible]

- HIGHEST CURRENT YIELDS

[illegible]

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Leading Marketmakers in Eurobonds **WestLB**
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EUROBONDS

By Carl Gewirtz

New Issues Coming to Market Reach Unprecedented Number

PARIS — An unprecedented flood of new issues swamped the Eurobond market last week.

Thirty-one new issues totaling \$3.3 billion came to market and adding Sweden's jumbo floating rate note, announced a week earlier, which was increased \$200 million to \$1.2 billion, the total jumps to \$4.5 billion.

Twenty-one of the new issues are denominated in U.S. dollars of which 12 are offered on the installment plan. Investors are asked to put up from 10 percent to 25 percent of the purchase price now and the remainder in July, August or, in one case, November.

This brings the number of partly paid issues launched on the market to six payable in July and 12 in August, effectively mortgaging the calendar for those months by \$1.6 billion. That is not an overwhelming burden as the average monthly total last year amounted to \$4.3 billion.

But what no one wants to talk about is the potential chaos in the market if purchasers decide not to put up the balance of money called for later this year.

For example, purchasers of the \$100-million, seven-year notes of Norway's Eksportfinans, bearing a coupon of 9 1/2 percent, are asked to put up 10 percent of the subscription price now and the balance in August. That down payment price is the lowest of any partly paid issue yet offered. However, if interest rates on seven-year paper in August exceed 12 1/2 percent (implying a market price of 89 1/2 or less for the Eksportfinans paper), it would be more profitable for purchasers to throw away the \$100 they had put up for the Eksportfinans security and use the remaining \$90 commitment to buy a new issue yielding 12 1/2 percent or more.

In another example, purchasers of Finance for Industry's \$75-million, five-year notes bearing a coupon of 11 percent are currently asked to put up 20 percent of the purchase price. However, if by August five-year paper is yielding 18 1/2 percent or more (implying a price of 78 or less for these notes), it would be more profitable to throw away the 20-percent down payment and use the 80 percent remaining to buy a new issue.

Obviously, issuers, underwriters and purchasers expect bond market yields at mid-year to be lower than they are now. But that is a gamble and the risk of that wager is being borne by the issuer rather than the investor. As the above examples seek to demonstrate, rates would not have to rise all that much to make some of the paper undesirable.

No tears need be shed for the issuers who could discover in August there is no issue. In exchange for low down payments they are succeeding in selling paper at terms that could not otherwise be achieved. Coca-Cola, for a 30-percent down payment, is offering \$100 million of nine-year bonds at par bearing a coupon of 9 1/2 percent — the lowest seen in more than two years — and General Electric Credit, asking for only 20 percent now, is offering to pay 9 1/2 percent for eight-year money.

To put that in some perspective, the yield is about 58 basis points (100 equals one percentage point) below comparable U.S. government paper in New York. Allowing for the fact that the GEC is being traded at a discount of 1 1/2 points, the yield is still 25 basis points under U.S. Treasury paper. This inversion of U.S. corporate paper fetching better terms in Europe than the federal government at home was seen last year when investors were willing to pay almost any price to buy tax-free quality dollar securities. But the dollar today is falling on the foreign exchange market.

The new-issue terms also bear no relationship to the much higher yields on seasoned Eurobonds available in the secondary market. The discrepancy is so large that investment bankers, themselves underwriting the new issues, admit privately that the new terms are irrational, even though in the next breath they admit to outthroat competition to win the new deals.

"If we waited to do deals that offered what we thought was value for money, we wouldn't be doing any business," a cynical manager said.

Bankers report that the once staid bond market has become one giant casino, crowded with speculators who for 10, 20 or 30 percent down now are betting that interest rates will continue to fall sharply. The focus of these speculators is not on the coupon or the yield of the paper they are buying, but the potential capital gain if rates do fall. The capital gain can be tremendous considering that the speculators will benefit from the appreciation on the full \$1,000 nominally valued bond even though they have put up only a fraction of that face value.

And with only 10 percent to 15 percent down, the downside risk in a worst case scenario is limited.

The word in the bond market is that the Japanese are among the biggest players. They are said to be intrigued not only by the potential capital gains, but also by the potential foreign exchange gains. As

(Continued on Page 9, Col. 5)

Diamond Mine in Australia Set to Outshine the World

New York Times Service

CANBERRA, Australia — With a marketing agreement in hand, Australia's Argyle diamond mine is set to begin production in what could become the world's largest diamond mining operation by 1984.

The mine, located near the shores of Lake Argyle in the state of Western Australia, is a joint venture of CRA, an affiliate of Rio Tinto-Zinc of Britain, with 56.8 percent of the project; Ashton Mining, with 38.2 percent; and Northern Mining, with 5 percent.

When the mine reaches full production, 20 million to 25 million carats of diamonds will be removed each year, reaping annual revenues of more than \$160 million a year but well below earlier estimates of \$325 million when diamond prices were higher. The annual production from Lake Argyle alone could reach almost half of total world diamond output.

Last month, the Western Australia state government gave its approval for De Beers Consolidated Mines' Central Selling Organization to market most of the mine's output until 1990.

Whether South African-owned De Beers, whose CSO controls about 80 percent of the world diamond trade, should control marketing had been a source of contention in Australia. There had been questions about whether a foreign company should have control of such a big Australian project and about South Africa's separatist racial policies.

De Beers, with large mines in the Transvaal and the Associated Mines in Botswana, is the largest single diamond producer, but most of the diamonds from other African and Soviet centers are also sold through the CSO.

The major function of the CSO is to balance diamond supply and demand. It creates demand through advertising. And extensive research has created a new market for industrial diamonds, with about 80 percent of the Lake Argyle production falling into this category.

The CSO also controls supply by stockpiling diamonds during cyclical downturns. And control over this vast new supply of diamonds is particularly important because the current downturn is entering its third year.

The CSO's sales during the first six months of 1982 had fallen 15 percent, to about \$731 million, from a year earlier. It was reported at about the same time that the price of the benchmark one-carat flawless "D" grade diamond gemstone had fallen to \$16,500 from \$60,000 about 18 months earlier. Uncontrolled flooding of the diamond market would cause prices to plummet further. The CSO also sets diamond prices for distributors.

Lake Argyle production in 1983 is expected to be about three million carats, worth about \$33 million. After 1985, when mining on the main diamond vein at Lake Argyle gets under way, production is scheduled to be up to 25 million carats a year.



An Ashton assayer inspects a Western Australia diamond.

The De Beers group's own mines in southern Africa have a capacity of up to 19 million carats a year, but with a much larger proportion of valuable gemstones than Argyle's 5 percent to 18 percent ratio.

The marketing agreement provides for the sale to the CSO of all gem diamonds, except for a small amount to be retained for independent marketing of polished gems from a cutting and polishing facility to be set up in Perth. This was the price extracted by the Western Australia state government for agreeing to the De Beers arrangement.

All cheap gem and industrial diamonds from the two major partners' share in the Argyle deposits will go to the CSO until mid-1984, but afterward one-fourth will be available for independent sale on the open market.

The third Argyle partner, Northern Mining, controlled by Alan Bond, a businessman, has won agreement to sell its 5-percent share independently and will do so through an Antwerp dealer.

Launching of the \$350-million joint venture is providing a bright spot in an otherwise depressed Australian mining scene.

M-2 Results Aid Hopes for Discount Rate Cut

New York Times Service

NEW YORK — The latest U.S. money supply figures showing that the M-2 measure ended the year on target have increased the likelihood that the Fed would soon reduce its discount rate.

U.S. CREDIT MARKETS

discount rate, the interest that it charges on loans to commercial banks, according to participants in the money markets.

Many analysts had expected a larger increase in the M-2, the most closely watched measure of the U.S. money supply, in December than the \$14.1-billion increase reported Friday by the Federal Reserve Board because of the growing amount of money deposited in money market deposit accounts, which depository institutions were authorized to begin offering on Dec. 14. The M-2 includes both cash and savings.

"We had expected a considerably larger increase," said Paul Boltz, an economist with Continental Illinois National Bank and Trust Co. The moderate growth in M-2, he added, "is very good news."

The M-2 ended December at a seasonally adjusted \$2,001.5 trillion, 8.5 percent higher at an annual rate than in November and left the growth of M-2 within the central bank's target of 9.5-percent growth for the fourth quarter.

The credit markets, however,

U.S. Consumer Rates

For Week Ended Jan. 14

Posabook Savings..... 5.50 %
"All Savers" Certificates..... N.A. %
6-Month Savings Certificates..... 8.47 %

Top-Exempt Bonds
Bond Buyer 20-Bond Index..... 9.27 %

Money Market Funds
Dreyfus's 7-Day Average..... 8.00 %

Home Mortgage
FHLB's average..... 14.26 %

showed little enthusiasm. Traders

said that they had expected the money supply figures to reflect moderate growth, and prices in the market had already been discounted in anticipation of the news. In addition, analysts said that many traders had expected a cut in the discount rate to be announced Friday, and that prices fell when it became clear that the rate would not be changed immediately.

In Friday's late trading, the rate on three-month Treasury bills declined slightly, to 7.55 percent.

Rates on six-month bills, offered at 7.65 percent, were unchanged on the day. Meanwhile, prices of long-term government bonds fell by more than one-half point.

Technical factors are likely to reinforce the money supply trend that is putting downward pressure on the discount rate. For example, the post-holiday decline in currency in circulation should signifi-

cantly increase bank reserves and thereby drive down the interest rate on federal funds, overnight money that banks trade among themselves.

Banks have the option of meeting their reserve requirements either by borrowing from the Fed or by borrowing federal funds from other banks. If, as expected, the federal funds rate drops to 8 percent, the Fed would likely act to bring the discount rate — now 8 1/2 percent — into line.

The central bank also said Friday that M-3, the broadest measure of the money supply, which includes large certificates of deposit, rose \$4.7 billion in December, to \$2,406 billion. Like M-2, the in-

crease in this measure was lower than expected, leaving its growth below what had been targeted for the fourth quarter.

The central bank also reported that M-1, a measure of cash and most checking accounts, fell \$300 million, to \$477.8 billion for the week that ended Jan. 5. Although M-1 is regarded as a less reliable measure of the money supply than M-2, the decline heightened optimism of an impending decline in rates.

"These are numbers that the Fed can feel very comfortable with," said Robert A. Schwartz of Merrill Lynch, adding that he expected a reduction in the discount rate within two weeks.

Politics, Oil Fears Pressure Sterling

By Bob Haggerty

International Herald Tribune

PARIS — Though it steadied late last week after a rude fall, the British pound is likely to remain wobbly, according to foreign exchange analysts here and in London.

The problem is largely a mix of politics and oil. Worries about those two questions helped drive sterling down to \$1.5815 at Friday's closing in New York from \$1.611 a week before in London and to around 2.343 Deutsche marks in New York from 3.760 DM a week earlier in London.

The market is afraid that the Labor Party could win national elections to be held sometime between now and May 1984, the latest date by which Prime Minister Margaret Thatcher must call elections. Labor has indicated that it would push down the pound's value in an effort to revive exports, and a Labor government would be likely to reimpose foreign exchange controls, which were removed by the Conservative Party government in 1979.

At the same time, many market participants expect that Saudi Arabia will soon be forced to cut oil prices because demand remains weak. That would force down North Sea oil prices and lower Britain's oil revenue, a major prop for the pound over the last several years.

"At last the market has recognized that the pound is overvalued," an economist at a major British bank said Friday. He said the recent drop is not temporary but part of a "fundamental realignment" after several years of strength. In the past two months, the pound has fallen about 12 percent against other major currencies on a trade-weighted basis.

Nonetheless, he said the pound should ease down in the weeks ahead rather than fall precipitously as it did last week. An official of a major U.S. bank in Paris agreed. "I would not see the pound falling substantially in the next few months," he said.

At the London stockbrokerage of James Capel, Keith Jones, the chief economist, ventured: "Famous last words, but I think the market is discounting ahead a lot of bad news at the moment," and the worst patch for the pound is past.

Over the coming months, several

analysts said, sterling is likely to fall further against the mark and the yen, but stabilize or even rise against the weakening dollar.

David Morrison, an economist at the brokerage of Simon & Coates, said sterling could well fall to \$1.50 in the next few months, then recover to \$1.75 by year-end as the dollar continues to weaken. Several other analysts put their year-end bets between \$1.50 and \$1.70.

Simon & Coates sees the pound continuing to fall against the mark, likely reaching about 3.50 DM by year-end. Grindlays Bank has forecast a year-end sterling rate of 3.20 DM.

Speculation that the Conservatives were planning to call an election soon was fueled last week by Mrs. Thatcher's trip to the Falklands. But the Conservative Party later denied such election plans.

Derek King, an economist at Midland Bank, said he saw little chance of a Labor victory, but noted: "Uncertainty is the bughouse of the market."

If Labor does win the next election, said Brendan Brown, an economist at the brokerage of Phillips & Drew, the pound probably would drop 8 to 10 percent in a matter of days. Then, he said, the new government would be forced to call for aid from the International Monetary Fund and rethink its foreign exchange policy.

Many bankers and businessmen would like to see Mrs. Thatcher call an election soon, perhaps this summer, while she remains ahead in the opinion polls. By autumn, the pound's decline may have caused inflation to rise from its current annual rate of about 6 1/2 percent, since a weaker currency means more expensive imports.

In addition, the balance of payments surplus is expected to shrink this year, and unemployment is not considered likely to decline soon from its current rate of about 13 percent. The Thatcher government also will suffer if it is forced to drive up interest rates in an attempt to defend sterling.

Nonetheless, not all of the economic signs are negative. Inflation is relatively low by world standards, and government spending seems under control, analysts say. Many also believe that the Thatcher government, like the Reagan government, is becoming more flexible in its economic policies.

Japan Banks Holding Out Over Brazil Debt

By Carl Gewirtz

International Herald Tribune

PARIS — Tempers are beginning to fray over the continued refusal of Japanese banks to join the rescheduling operation for Brazil.

U.S. bankers now accuse the Japanese of bad faith, saying that they are running down their interbank lines to Brazil while talks drag on instead of maintaining their exposure as requested.

The proposed commercial bank salvage operation for Brazil is made up of four parts: A \$4.4-billion loan of new money; a rescheduling of \$4 billion of principal repayments due this year into an eight-year loan; and a maintenance of existing short-term trade credits (said by Brazil to total \$8 billion) and money-market lines of credit (said to total \$10 billion).

Banks holding more than \$30 million in medium- and long-term Brazilian loans have been asked to provide the cash for the new loan. The 121 banks falling into this group are to put up amounts equal to about 12 percent of their outstanding medium- and long-term exposure.

The Japanese, whose loans are mostly medium- to long-term, have balked at this, saying that it is unfair to exclude from the calculations short-term loans of which U.S. banks hold a major portion. Including short-term loans would reduce the amount of new money the Japanese are being asked to supply and increase the amount of the U.S. banks.

The U.S. banks argue that Brazil's short-term debt is almost exclusively trade related and therefore self-liquidating — that is, pre-export finance that is repaid out of the proceeds of the export sale. The Americans contrast this with the situations in Mexico, Argentina and Venezuela, where massive short-term borrowings were used in place of long-term finance and thus represent an overhang that cannot be repaid without being rescheduled.

So far, \$3.4 billion of the new-money loan has been spoken for. The Japanese are the sole national

holdout," one angry participant said. Only two of the 24 Japanese banks that were asked have agreed to join, providing \$25.5 million of the \$772 million expected from Japan.

"Pleas, threats, cajoling have all been useless," a senior U.S. banker said. "There's a total lack of cooperation, but it's always done through smoke screens — endless meetings going over the same ground which get nowhere or min-

SYNDICATED LOANS

isters who must be consulted but who are never in their office."

This banker said the Japanese banks "are taking advantage" of their nonacceptance of the new-money loan in order not to comply with the other elements of the package. "Tempers are up," he said, because "the Japanese are systematically cutting their money-market lines."

Meanwhile, in Europe, efforts were made to reopen the syndicated loan market traumatized by the debt problems of Latin America.

Denmark announced plans to raise \$1-billion, seven-year credit and drew applause from the market for not trying to mask the fact that it is paying more than it did last year by paying higher commissions while holding other charges unchanged.

The maturity is a year less than last year's borrowing and interest charges are an eighth of a point higher. Lenders can choose to use either the prime rate or the London interbank offered rate as the base lending charge.

Interest will be set at 0.25 percentage point over the prime rate for three years and 0.30 point for the final four. If the prime rate exceeds the rate for 90-day certificates of deposit by 1.25 percentage points for two consecutive weeks, the loan charge shifts to the combination of this margin over the CD rate for the first three years and 1.3 points over the CD rate for the final four years.

Banks choosing Libor as their lending base will receive half a

point over Libor for the first two years and 3/4 point over thereafter. Banks lending over Libor can provide the money in either dollars or European currency units. The ECU option is aimed to attract banks who make a market in that currency cocktail and who are eager to find new funding opportunities.

The loan is regarded as a major test of market sentiment and will show whether the numerous small banks who have traditionally participated in deals are still in the market or whether only major money center banks are active.

Sweden chose to skirt the question altogether and raised \$1.2 billion through a publicly offered floating rate note. Its aim, in addition to achieving slightly better conditions than it could have in the bank market (a maturity that can run to 10 years), was to find a wider range of lenders. Its optional five-year maturity was aimed at appealing to central banks, which will not commit funds for longer periods and insist on having marketable paper.

It obviously was successful as the amount was increased from

the \$1 billion initially announced.

France is drawing down the final \$400 million of its recent \$4-billion credit that was raised to bolster the government's resources to defend the franc. With that now fully drawn, the government will be stepping up its recourse to the loan and bond markets, bankers report. EDF is expected to raise \$300 million this week through a public offering of floating rate notes carrying warrants to buy fixed-rate bonds while another state agency is planning to tap the bank market through a syndicated loan.

The repatriation of these proceeds into France will help relieve the pressure on the franc in the foreign exchange market. However, all currency forecasters anticipate a devaluation of the franc (possibly coupled with a revaluation of the Deutsche mark) following the March 6 West German federal elections and the March 13 French municipal elections.

In Asia, Air Lanka, guaranteed by Sri Lanka, is raising \$25.8 million for eight years, offering half a point over Libor for the first two years and 3/4 point over for the final six years.

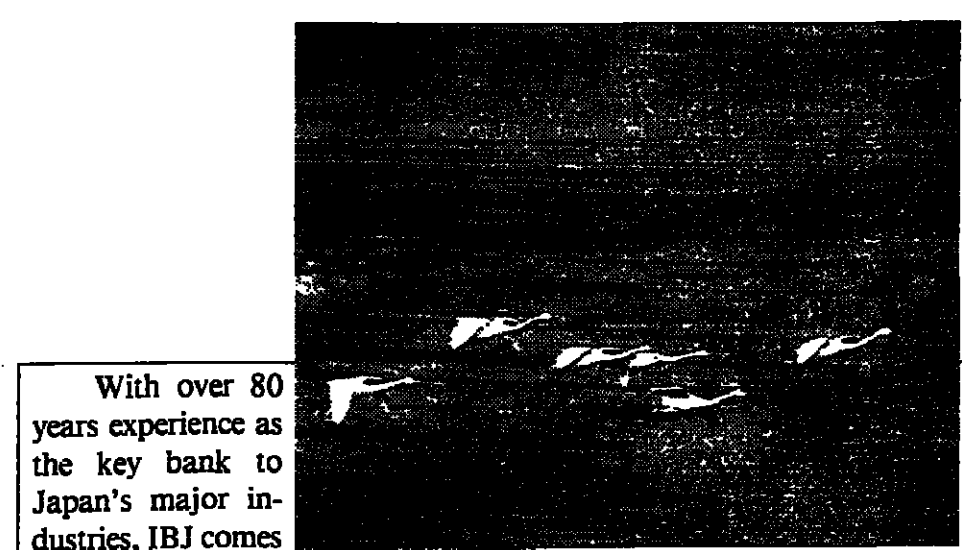
CURRENCY RATES

Interbank exchange rates for Jan. 14, excluding bank service charges.

	24h	6m	3m	1m	15d	1w	1d	1h	15m	10m	5m	1m	15s	10s	5s	1s
Amsterdam	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Brussels (n)	46.45	73.125	19.655	4.918	3.470	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74
Frankfurt	2.365	2.78	3.21	3.64	4.07	4.50	4.93	5.36	5.79	6.22	6.65	7.08	7.51	7.94	8.37	8.80
London (n)	1.795	1.795	1.795	1.795	1.795	1.795	1.795	1.795	1.795	1.795	1.795	1.795	1.795	1.795	1.795	1.795
Paris	1.2548	2.1240	5.474	20.14	2.1421	1.147	1.147	1.147	1.147	1.147	1.147	1.147	1.147	1.147	1.147	1.147
New York	1.381	0.4248	0.15	0.074	0.035	0.0214	0.0172	0.0130	0.0093	0.0057	0.0021	0.0008	0.0003	0.0001	0.0001	0.0001
Porto	4.695	10.547	28.54	74.94	4.734	2.737	1.4385	0.845	0.510	0.315	0.195	0.115	0.070	0.040	0.020	0.010
Zurich	1.975	2.898	8.23	20.95	6.421	3.411	1.914	1.067	0.605	0.340	0.195	0.115	0.070	0.040	0.020	0.010
1 ECU	1.871	0.613	0.223	0.087	0.037	0.017	0.007	0.003	0.001	0.0005	0.0002	0.0001	0.0001	0.0001	0.0001	0.0001
1500F	1.1054	0.6996	0.2601	0.1046	0.0471	0.0206	0.0091	0.0041	0.0022	0.0011	0.0005	0.0002	0.0001	0.0001	0.0001	0.0001

Source: Reuters. 1.252 Irish L.
(n) Commercial franc (n) Amounts needed to buy one pound (*) Units of 100 (x) Units of 1,000

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WORLDINVEST INCOME FUND
DIVIDEND ANNOUNCEMENT
DECLARATION OF DIVIDEND No. 12

Coupon No. 12 and also any previously unrepresented coupons may be presented for payment on or after 1st February 1983 to any of the following Paying Agents:

Bank of America NT & SA,

**Hong Kong Branch,
St. George's Building,
No. 1 Ice House Street,
Hong Kong,
B.C.C.**

**50 Shirley Street,
Nassau,
Bahamas.**

**Bank of America International S.A.,
35 Boulevard Royal,
Luxembourg.**

**BankAmerica Trust Company (Jersey) Limited,
Union House,
Union Street,
St. Helier,
Jersey,
Channel Islands.**

ZERO COUPON BONDS

ZERO-COUPON BONDS

Option & price	Calls	Puts
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1990		1991	
Jan	Apr	Jan	Apr

Alcon	25	r	8%	r	3%
3M	30	JV	4%	1/2	1%
20%	75	3 1/2	1%	-	1%

For the Week Ending Jan. 14, 1983.

96 1/4	170	1 1/4	r	1 1/4
GM	40	24	5	1 1/4
40	25	18	r	5 1/2



through its wholly-owned subsidiary

We initiated this transaction, assisted in the negotiations and acted as financial advisor to PennCorp Financial, Inc.

Members New York Stock Exchange, Inc.

U.S.
United States

Term L

MERC:

2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681, 26

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SECRET

VEREINIGTE

1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

U.S.

United States
In

100



NEW YORK (AP)—Weekly Over the Counter stocks gave the high, low, and last bid prices for the week. The prices are for securities supplied by the National Association of Securities Dealers, Inc. are not actual transactions, but are representative of the prices at which these securities could have been sold. Prices do not include retail markups, markdowns or commissions.

Sales In	100s	High	Low	Last	Chg
ABF 100	1310	33	27	31	+3
ABF 200	45	24	20	22	+2
ABF 300	67	14	12	13	+1
ABF 400	10	12	10	11	+1
ABF 500	10	12	10	11	+1
ABF 600	10	12	10	11	+1
ABF 700	10	12	10	11	+1
ABF 800	10	12	10	11	+1
ABF 900	10	12	10	11	+1
ABF 1000	10	12	10	11	+1
ABF 1100	10	12	10	11	+1
ABF 1200	10	12	10	11	+1
ABF 1300	10	12	10	11	+1
ABF 1400	10	12	10	11	+1
ABF 1500	10	12	10	11	+1
ABF 1600	10	12	10	11	+1
ABF 1700	10	12	10	11	+1
ABF 1800	10	12	10	11	+1
ABF 1900	10	12	10	11	+1
ABF 2000	10	12	10	11	+1

Sales In	100s	High	Low	Last	Chg
ABF 2100	10	12	10	11	+1
ABF 2200	10	12	10	11	+1
ABF 2300	10	12	10	11	+1
ABF 2400	10	12	10	11	+1
ABF 2500	10	12	10	11	+1
ABF 2600	10	12	10	11	+1
ABF 2700	10	12	10	11	+1
ABF 2800	10	12	10	11	+1
ABF 2900	10	12	10	11	+1
ABF 3000	10	12	10	11	+1
ABF 3100	10	12	10	11	+1
ABF 3200	10	12	10	11	+1
ABF 3300	10	12	10	11	+1
ABF 3400	10	12	10	11	+1
ABF 3500	10	12	10	11	+1
ABF 3600	10	12	10	11	+1
ABF 3700	10	12	10	11	+1
ABF 3800	10	12	10	11	+1
ABF 3900	10	12	10	11	+1
ABF 4000	10	12	10	11	+1

Over-the-Counter

NASDAQ NATIONAL MARKET

Sales In	100s	High	Low	Last	Chg
ABF 4100	10	12	10	11	+1
ABF 4200	10	12	10	11	+1
ABF 4300	10	12	10	11	+1
ABF 4400	10	12	10	11	+1
ABF 4500	10	12	10	11	+1
ABF 4600	10	12	10	11	+1
ABF 4700	10	12	10	11	+1
ABF 4800	10	12	10	11	+1
ABF 4900	10	12	10	11	+1
ABF 5000	10	12	10	11	+1
ABF 5100	10	12	10	11	+1
ABF 5200	10	12	10	11	+1
ABF 5300	10	12	10	11	+1
ABF 5400	10	12	10	11	+1
ABF 5500	10	12	10	11	+1
ABF 5600	10	12	10	11	+1
ABF 5700	10	12	10	11	+1
ABF 5800	10	12	10	11	+1
ABF 5900	10	12	10	11	+1
ABF 6000	10	12	10	11	+1

Sales In	100s	High	Low	Last	Chg
ABF 6100	10	12	10	11	+1
ABF 6200	10	12	10	11	+1
ABF 6300	10	12	10	11	+1
ABF 6400	10	12	10	11	+1
ABF 6500	10	12	10	11	+1
ABF 6600	10	12	10	11	+1
ABF 6700	10	12	10	11	+1
ABF 6800	10	12	10	11	+1
ABF 6900	10	12	10	11	+1
ABF 7000	10	12	10	11	+1
ABF 7100	10	12	10	11	+1
ABF 7200	10	12	10	11	+1
ABF 7300	10	12	10	11	+1
ABF 7400	10	12	10	11	+1
ABF 7500	10	12	10	11	+1
ABF 7600	10	12	10	11	+1
ABF 7700	10	12	10	11	+1
ABF 7800	10	12	10	11	+1
ABF 7900	10	12	10	11	+1
ABF 8000	10	12	10	11	+1

Sales In	100s	High	Low	Last	Chg
ABF 8100	10	12	10	11	+1
ABF 8200	10	12	10	11	+1
ABF 8300	10	12	10	11	+1
ABF 8400	10	12	10	11	+1
ABF 8500	10	12	10	11	+1
ABF 8600	10	12	10	11	+1
ABF 8700	10	12	10	11	+1
ABF 8800	10	12	10	11	+1
ABF 8900	10	12	10	11	+1
ABF 9000	10	12	10	11	+1
ABF 9100	10	12	10	11	+1
ABF 9200	10	12	10	11	+1
ABF 9300	10	12	10	11	+1
ABF 9400	10	12	10	11	+1
ABF 9500	10	12	10	11	+1
ABF 9600	10	12	10	11	+1
ABF 9700	10	12	10	11	+1
ABF 9800	10	12	10	11	+1
ABF 9900	10	12	10	11	+1
ABF 10000	10	12	10	11	+1

With decade-long ties to the City, Yamaichi International (Europe) Limited looks forward to expansion and diversification of its securities services.

By Dick Wilson

AN INSIDE VIEW OF YAMAICHI INTERNATIONAL

FIRST LONDON OFFICE ESTABLISHED IN 1964

Yamaichi International (Europe) Limited is ten years old today. Japan's premier securities house, Yamaichi Securities Co., Ltd., first opened a representative office in London in 1964 when President Kennedy's changes in the U.S. taxation system induced Japanese borrowers to move to the London market. The \$5 million Convertible Debenture issue of Canon, the camera and office machine maker, was the first highly successful entry by Yamaichi into the London market. Since then it has never looked back.

Today the business has greatly diversified. The representative office grew first into a branch in 1970 and then into a separate U.K. company with authorised capital of £1 million. The staff now exceeds seventy, occupying a suite of modern offices at Finsbury Pavement.



The resident Director of Yamaichi Securities there is Katsuhisa Yamada, but you would be lucky to find him in The London company co-ordinates the work of four other Yamaichi offices in Europe and one in Bahrain, and Mr. Yamada spends about half his time travelling.

"I took up my post here in London," he said, "only last month, and already I have had to make two trips to Switzerland and one to the USA." (He was here once before, as Managing Director of the London Company, in the late 1970s.)

Yamaichi International (Europe) —YIE— engages in a wide variety of investment banking facilities, especially major European and yen currency underwriting, stock-broking and dealing. Under its Managing Director, Hitoshi Tanaka, who was last here as a London School of Economics student twenty years ago, it helps Japanese corporations in their foreign debt and equity financing and is recognised in Japan as a leader in this field.

Another side to YIE's activities is assisting Japanese companies in their direct investments in Europe, including mergers and acquisitions, and advising institutional clients on overseas portfolio investments in bonds and equities. In 1981 it handled almost 30% of domestic Japanese transactions in foreign stocks and 24% of those in foreign bonds.

In the reverse direction, YIE advises European governments, governmental entities and private corporations as well as international organisations in both public and private yen financing on the yen capital market in Tokyo.

In 1981 it helped Yamaichi Securities to gain the top position in terms of lead management on this yen capital market.

IN 1982, YIE TOOK PART IN 240 U.K. EURO-BOND ISSUES

As an indicator of the volume of underwriting business, YIE in 1982 lead-managed or co-managed no fewer than 44 Euro-currency issues. The company participated as a syndicate member in altogether no less than 240 U.K. and Euro-bond issues.

In the early part of the year YIE participated in several zero coupon bonds, the popularity of which has been well established in Japan. Although the markets were lacklustre for much of this past year, the Japanese stock market started to revive in October with lower US interest rates and a stronger yen, and a better year is expected in 1983.

The weakened yen provided an incentive for YIE to diversify further, away from its traditional Japanese equity-linked business, and move into the bond business. This means Japanese Government bonds, yen 'samurai' bonds, Euro-yen bonds and Euro-dollar bonds. YIE has, of course, been involved in Euro-bonds by non-Japanese issuers but it understandably feels it should build on its special advantage of knowing Japan. Since its strength derives from Japan, now the second largest economy in the capitalist world, YIE believes that its activities should relate as far as possible to Japan.

There is no shortage, after all

of Western investors anxious to buy Japanese equities and bonds. And Japan continues to be a major source of funds for investment outside



"In London," says Hitoshi Tanaka, "our speciality is the merit or attraction of Japan. We should make full use of that."

GROWING EMPHASIS ON INTERNATIONALISATION

At the same time, internationalisation is the password of the day. International business now accounts for some 10% of Yamaichi's total business, and many of its senior executives would like to raise that ratio to 20% or even 25% in the very near future. YIE is also seeking to strengthen its capability of doing all kinds of European business even where Japan is not directly involved.

Under this programme a higher proportion of local employees—including more professionally trained and graduate Britons—will be used. "Japanese firms," says Tanaka, "lag behind some European and American firms in localising their management. We hope to attract local staff of a calibre to become eventually members of the YIE management group."

I asked him if the difficulty and time consumed in learning the Japanese language would not defeat this plan.

"That is not the real obstacle," he replied. "We have in Tokyo a young Englishman called Church who speaks fluent Japanese. That is a technical challenge which can be overcome."

The real problem is the way of thinking and social behaviour and decision-making. It is vital for us to educate such people into how we reach our decisions."

Yamaichi Research Institute has supplied two full-time staff from Tokyo to the YIE office and a new time-sharing system of communications will allow all the European

offices to be better and more quickly informed.

In the old days YIE used to be asked by UK investors, for example, which of two alternative Japanese stocks was more promising. Now the question is likely to be the relative merits of a Japanese and an Australian or American stock.

EFFICIENT COMMUNICATIONS LINK YIE OFFICE NETWORK

The six offices in Europe and the Middle East have hitherto operated more or less in parallel but are now moving to a more systematised relationship co-ordinating their work more integrally. Each retains its independent status formally, but in their business relations they are acting as one.

Yamaichi International (Netherlands) N.V. in Amsterdam is unique in holding a full banking license something which the Bank of England does not allow YIE to have, although Japan, like the USA, blurs the line of distinction between dealing in securities and money and it operates closely with YIE as one integrated organisation. YIE has been seeking for more international dealings by using the YIN facility. If YIE could get a banking license, they would facilitate and promote international activities, much more than the present level.

Frankfurt has Yamaichi International (Deutschland) GmbH; Zurich has Yamaichi (Schweiz) AG. A representative office in Paris completes the European presence of Yamaichi, and the representative office at Bahrain is currently tucked under London's wing too.

"Eventually," says Yamada, "we will form a local company in Bahrain to look after our Middle East interests independently of London. So Tokyo, New York, London, Bahrain and Hong Kong will be the five centres forming the core of our international operations."

TRADITIONAL VIRTUES PLUS MODERN IDEAS

Nor is it a question of each one of these just relating to Tokyo. Mr. Yamada goes to New York because "the New York market is becoming important again, and it is vital for us to strengthen the tie-up between our London and New York offices. The triangular relationship

is very important."

Recently YIE decided to join the London Futures Market in order to be able to hedge its risks over fluctuating interest rates and currency exchange rates. When the market comes to embrace the yen, as it is hoped it soon will, YIE will benefit even more from its services.

"It is not yet," Tanaka observes, "an appropriate vehicle for longer-term Euro-bonds. It will be difficult to know which issues—by governments, the World Bank, the EEC or whatever—to use as guide-posts."

A new feature of Yamaichi's services in Japan is a Special Fund for Venture Capital available to new companies. Yamaichi has a special department for young business development and is making an unusual effort in this direction.

"We advise them how to organise their future capital structure," says Tanaka. "We take an interest in them. Who knows, they might become another Matsushita or Hitachi!"

European companies are eligible, of course, and Tanaka has already sent several applications to Tokyo for processing. Yamaichi is the doyen of Japanese securities houses. Its foundation goes back to 1897, long before the other three competitors in Japan's "Big Four". For many years the leader in business volume, it remains the strongest in corporate and institutional business and is always to the fore in the new issues stakes. In 1982, it introduced three particularly unique and attractive companies to be newly listed on the Tokyo Stock Exchange: namely, Sanrio, Terumo, and Gakken, all of which turned out to be big hits of the year, and were sought after by many foreign as well as domestic investors.

Among Japanese investors it has a reputation for those old-fashioned virtues of solidity and worth, not indulging in the same high-pressure sales talk as others. In the city of London, too, its clients and fellow dealers-underwriters are discovering the virtue in these characteristics of Yamaichi. About this time of the year YIE holds an investment seminar in London. At last year's meeting the speaker from Yamaichi Research Institute, Mr. Tsuji, predicted before the large audience that the Tokyo stock market would decline. He was proved to be right. When he speaks again at this year's seminar it will be no surprise if he faces many enthusiastic listeners.

From	To	May	Aug.
400	25.00-30.00	40.00-50.00	60.00-60.00
500	15.00-20.00	20.00-25.00	30.00-30.00
600	10.00-15.00	15.00-20.00	20.00-20.00
700	5.00-10.00	10.00-15.00	15.00-15.00
800	0.00-5.00	5.00-10.00	10.00-10.00

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(Continued on Page 11)

BANQUE SUDAMERIS

U.S. \$30,000,000 Floating Rate

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For the six month period

January 13th 1983 to July 13th 1983

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Interest payable on July 13th 1983.

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instruments for maturities of less than 12 months.

Short Term 'B' Units, invested in money market instruments

denominated in the SDR currencies and Swiss Francs for maturities

of less than 12 months. These units offer balanced currency

income on both 'A' and 'B' units. These units offer balanced currency

income on both 'A' and 'B' units. These units offer balanced currency

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income on both 'A' and 'B' units. These units offer balanced currency

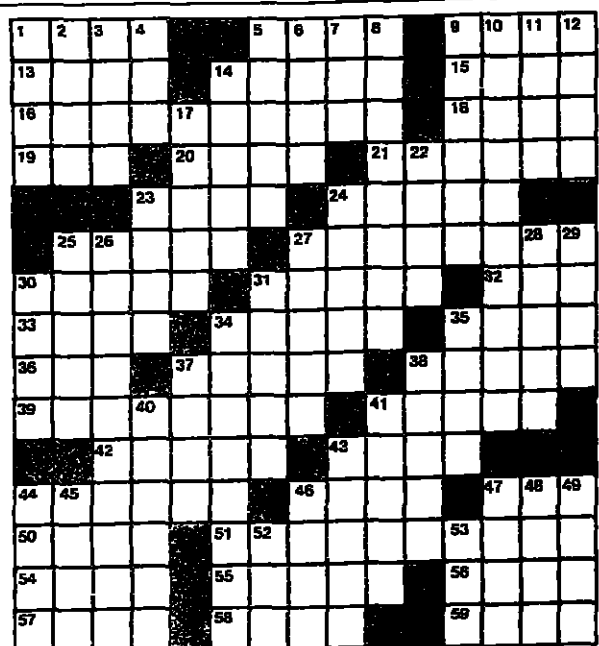
income on both 'A' and 'B' units. These units offer balanced currency

income on both 'A' and 'B' units. These units offer balanced currency

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income on both 'A' and 'B' units. These units offer balanced currency

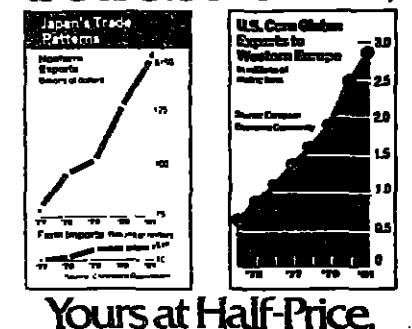
CROSSWORD



- ACROSS**
- Coin of California
 - Hebrew letter
 - Amo, amas
 - Native of Mecca
 - Bolivian friend
 - River in Maine
 - Avon
 - Short comic play
 - Wind dir.
 - Band on a shield
 - Chargers
 - Wings
 - Stickers split these
 - Forward
 - Adjective; align
 - Word with widow or skirt
 - Slip
 - Superior, for one
 - Pep up
 - Heroic narrative
 - Fruity drink
 - Expand
 - Pelts
 - Indetermined
- DOWN**
- "The Bells of St. ...," 1917 song
 - Sharpener
 - Peel
 - Ship's radioman
 - que non
 - Check out
 - Celebrates
 - Commedia dell'
 - Playing marble
 - Contest, Greek style
 - Calendar abbr.
 - bene
 - Dixie dish
 - Metallic cloth
 - Site of the Elburz Mts.
 - Dissolute
 - Four-armed
 - Fort or Ribicoff
 - "In My ...," Beatles song
 - 7 Self
 - Abandoned
 - Declare
 - Prepares
 - rain
 - Little ones
 - Perceived by ear
 - Shoe parts
 - Row
 - Church recess
 - Shifter
 - Sultan's decree
 - Burries
 - Relocated
 - Impromptu
 - Time periods
 - Pleasant
 - Houseman
 - Football
 - Address for a king
 - Nicotine
 - Scraggly
 - Pastries
 - Paragon
 - Michelin guide
 - Masterpiece
 - Office copy, for short
 - Liams land fellow
 - Three-headed card game
 - Former constellation
 - What Mr. America pumps
 - Force unit
 - Gone by
 - "Brahm"
 - post's monogram

WEATHER

	HIGH LOW				HIGH LOW						
	C	F	F		C	F	F				
ALGARVE	15	9	9	Fair	LONDON	11	5	10	Overcast		
ALGIERS	16	11	4	Fair	LOS ANGELES	22	12	13	55	Cloudy	
AMSTERDAM	9	4	4	Overcast	MADRID	9	4	4	Fair		
ANKARA	-5	-12	10	Rain	MANILA	25	19	26	46	Overcast	
ATHENS	16	11	10	Cloudy	MEXICO CITY	23	14	13	43	Fair	
AUCKLAND	23	16	11	Fair	MILAN	17	7	4	45	Fair	
BANGKOK	31	24	21	Fair	MONTREAL	-4	-10	18	Cloudy		
BEIJING	2	-3	-2	Overcast	MOSCOW	0	-12	-10	Snow		
BEIRUT	14	7	7	45	Cloudy	MUNICH	5	1	1	34	Snow
BERLADE	1	3	7	22	Cloudy	NAIROBI	20	16	16	41	Cloudy
BIRMINGHAM	5	-1	-2	Shower	NASSAU	23	12	15	34	Cloudy	
BOSTON	-1	-10	-2	28	Snow	NEW DELHI	17	13	13	43	Cloudy
BRUSSELS	-4	-8	8	46	Overcast	NEW YORK	0	-3	-3	37	Cloudy
BUCHAREST	6	-3	1	41	Overcast	NICE	16	11	6	43	Fair
BUDAPEST	6	-2	14	41	Overcast	OSLO	10	-4	16	Fair	
BUEENOS AIRES	22	16	16	41	Overcast	PARIS	10	5	4	33	Overcast
CAIRO	—	—	—	N.A.	PRAGUE	4	-1	1	34	Shower	
CAPE TOWN	21	17	17	41	Cloudy	REYKJAVIK	-3	-12	-3	37	Snow
CASABLANCA	15	9	5	41	Fair	RIO DE JANEIRO	23	12	12	37	Overcast
CHICAGO	-2	-11	12	34	Fair	ROME	13	5	2	36	Fair
COPENHAGEN	4	-1	1	34	Fair	SAO PAULO	26	19	21	70	Rain
COSTA DEL SOL	17	13	13	34	Fair	SEOUL	7	-5	-2	28	Overcast
DAMASCUS	9	4	4	39	Fair	SHANGHAI	17	13	13	37	Overcast
DUBLIN	9	4	9	38	Rain	SINGAPORE	28	24	24	75	Overcast
EDINBURGH	12	5	8	46	Cloudy	STOCKHOLM	-4	-18	-18	38	Snow
FLORENCE	5	-1	1	41	Shower	SYDNEY	23	17	18	64	Fair
FRANKFURT	7	4	5	37	Shower	TAIPEI	24	16	16	41	Cloudy
GENEVA	7	4	5	37	Shower	TEHLAVI	16	12	12	34	Cloudy
HARARE	24	15	12	41	Cloudy	TOKYO	8	-4	-4	39	Fair
HELSINKI	-2	-10	-10	19	Overcast	TOKYO	8	-4	-4	39	Fair
HONG KONG	19	16	14	37	Overcast	TUNIS	5	10	12	54	Overcast
HOUSTON	13	5	-2	38	Fair	VIENNA	6	-3	-3	37	Fair
ISTANBUL	15	10	12	41	Cloudy	WARSAW	2	3	6	33	Snow
JERUSALEM	10	5	6	43	Overcast	WASHINGTON	2	3	6	31	Windy
LAS PALMAS	19	16	11	41	Shower	ZURICH	6	-3	3	37	Shower
LIMA	30	24	24	75	Fair						
LISBON	11	5	2	41	Fair						

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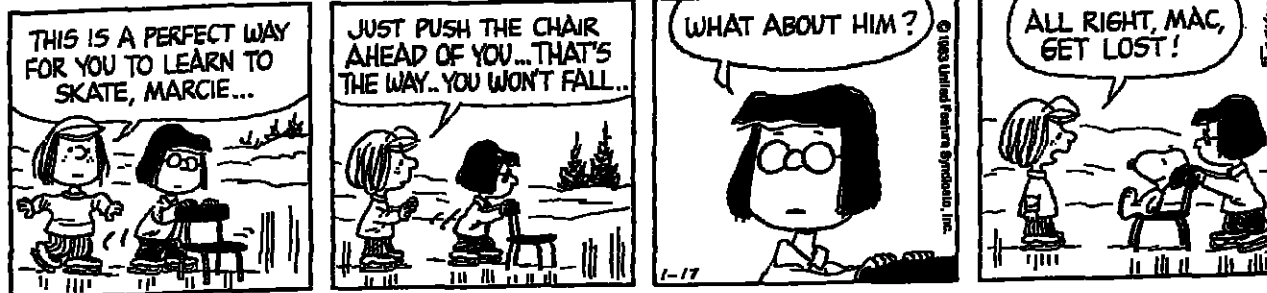
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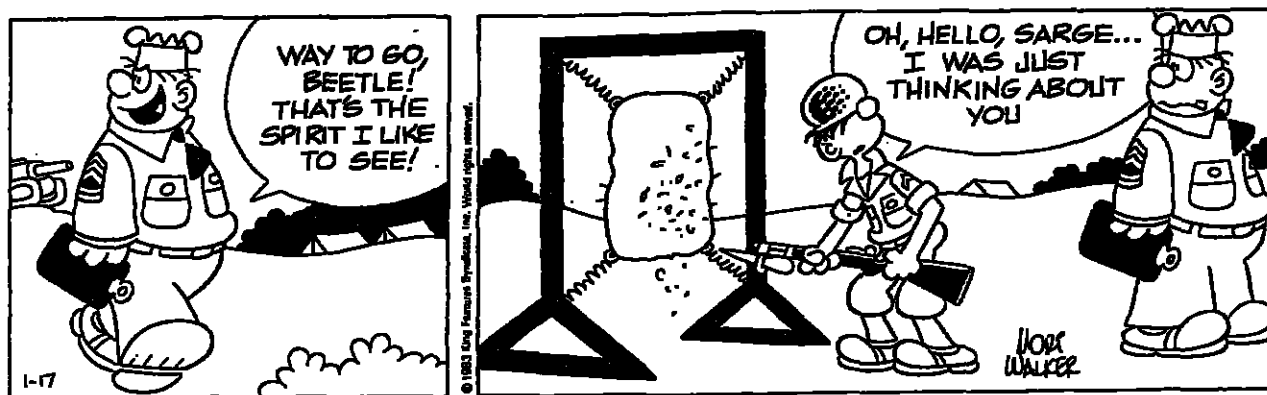
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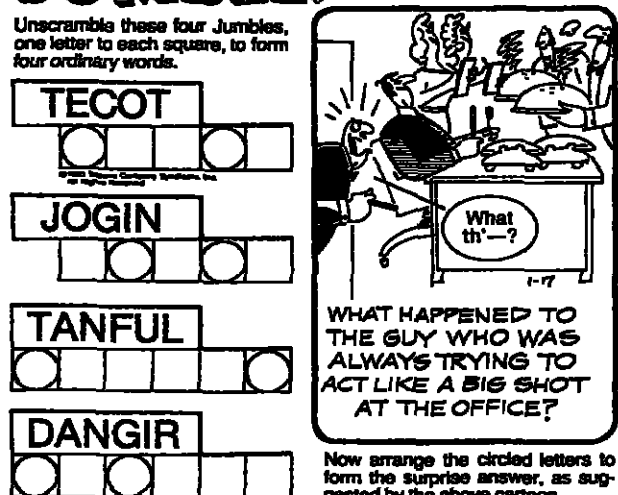
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Answer: What to keep in order to avoid biting insects—YOUR MOUTH CLOSED

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BOOKS

THE LETTERS OF GUSTAVE FLAUBERT, 1857-1880

Selected, edited and translated by Francis Steegmüller. Illustrated. 309 pp. \$15. Belknap Press/Harvard University Press. 79 Garden St., Cambridge, Mass. 02138.

Reviewed by Anatole Broyard

THE second volume of "The Letters of Gustave Flaubert" — which reaches from 1857 when "Madame Bovary" was published to his death in 1880 — is just as good as the first. While it does not have the advantage of his famous reflections on what has been called "the first modern novel," it's a fuller and more tragic picture of Flaubert, the man.

Certainly, his correspondence with the novelist George Sand is more consistently interesting than his letters to his mistress Louise Colet in the first volume. When he wasn't talking to Madame Colet about his work, his letters to her often seemed absent-minded and conventional. But he took George Sand seriously, he trusted her, and this made his letters to her more intimate, in the best sense, and more revealing. In his letters to her, which are included, she comes through as intelligent and affectionate, almost always giving him good advice and showing extraordinary tact in dealing with his books.

Flaubert's career as an author was something of a mystery. Though he remarked that he didn't choose his subjects, that they were "imposed," it's difficult to understand why he didn't continue to do what he did so well in "Madame Bovary." Perhaps the explanation lies in the fact that Flaubert himself was the beginning of a movement in French novels away from the peculiar exoticism that haunted them until his time. It's as if his career went backwards; after writing the first modern novel, he regressed to "Salammbô," and later to "The Temptation of St. Anthony." Meanwhile, the French novel was moving in the direction of Balzac, Zola and Maupassant.

Flaubert said that "Bovary" inspired in me a long disgust for bourgeois ways. "Salammbô" and "St. Anthony" may have been his attempt to escape the bour-

geois, whom he passionately hated, though he himself lived what we would call a bourgeois life and shared bourgeois tastes.

Steegmüller, who selected, edited and translated these letters, is again a deft, witty and indefatigable commentator, stitching Flaubert's correspondence together with all the background information needed in order to appreciate it. Among his many fine notes Steegmüller tells us that Flaubert liked the style of Flaubert's letters even more than that of his novels. He kept his volumes of letters beside his bed like a bible; the Henry James hardly knew what a say about them, stammering on that critics took his usual isolation in the country as a sign of disdain. When he maintained that he was "untouched," by criticism, adding "never have I been less upset," it seemed clear that he protested in such.

Flaubert was certainly unkind in his reviewers. Except for "Madame Bovary" and the innocuous "Three Tales," he got a very poor reception, which puzzled him a first and which he later explained by saying "I annoy," pointing out that critics took his usual isolation in the country as a sign of disdain. When he maintained that he was "untouched," by criticism, adding "never have I been less upset," it seemed clear that he protested in such.

"The Letters of Gustave Flaubert" are full of good lines. "The section is revenge." "Living strikes me as a trade I wasn't cut out for." "The sense of the grotesque has kept me from slipping into a dusty life." "Success is a result; it must be a goal." In speaking of a friend's desire to be elected to the French Academy, Flaubert said: "When you are somebody, wish to be something." After one of his close friends had died, he served that "my heart is becoming a necropolis."

More than most writers, Flaubert was a martyr to his work, usually living with no company but goldfish and endlessly researching books that gave little latitude to his talent. Perhaps, if we except "Madame Bovary," these letters were someone said, "his best novel." It is remembered for being the first to see that the novelist has no right to press opinions. Flaubert saved his opinions for his letters. He promised to turn critic in his old age in order to let a lifetime's suppressed indignation, as though he didn't live to carry it out, his letters did it for him. Nobody else has ever been so eloquently exasperated.

Anatole Broyard is on the staff of The New York Times.

BRIDGE

By Alan Truscott

A NEAT overtrick was executed on the diagrammed deal. North's jump to two no-trump over the take-out double showed an invitational hand with spade support, the usual expert arrangement in this situation. South's three-heart bid was a game invitation, and North accepted by showing the club ace just in case his partner had a slam in mind.

Making four spades presented no problem, but South wanted to increase his match points by collecting an overtrick. Since West led the spade jack, it was wildly unlikely that he held the ace-king of diamonds, which would have been a normal lead. So to justify his double, West must have the heart king and the club queen.

Thus, after drawing trumps, South made the subtle play of leading the heart ace followed by the ten. This abandonment of a finesse that was doomed to lose deceived West, who now had to worry about the queen. If South held a doubleton, it would be unsafe to take the

king, for it would expose the queen to a ruff-out later.

So as South hoped, West ducked. Now the declarer cashed the club king, fanned the diamond jack with confidence and discarded his heart queen on the club ace. Eventually a diamond was ruff in the dummy, and the contract was in the bag.

WEST
♠ A Q 10 2
♥ K 8 7
♦ A J 10 7
♣ Q 10 9 8 6 5 4 3 2

EAST
♠ K 9 8 7
♥ A Q 10 9 8 7 6 5 4 3 2
♦ K 8 7 6 5 4 3 2
♣ A J 10 9 8 7 6 5 4 3 2

SOUTH
♠ K 8 6 5 3
♥ A Q 10
♦ K 8 7 6 5 4 3 2
♣ A J 10 9 8 7 6 5 4 3 2

North and South were vulnerable. The bidding:
East South West North
Pass 1♣ Pass 1♥ Pass 2♦ Pass 4♥ Pass 4♠ Pass

West led the spade jack.

RADIO NEWSCASTS

BBC WORLD SERVICE

Hours of GMT	0000	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	2400
Western Europe	12.15	12.45	13.15	13.45	14.15	14.45	15.15	15.45	16.15	16.45	17.15	17.45	18.15	18.45	19.15	19.45	20.15	20.45	21.15	21.45	22.15	22.45	23.15	23.45
Eastern Europe	13.15	13.45	14.15	14.45	15.15	15.45	16.15	16.45	17.15	17.45	18.15	18.45	19.15	19.45	20.15	20.45	21.15	21.45	22.15	22.45	23.15	23.45	24.15	24.45
South America	14.15	14.45	15.15	15.45	16.15	16.45	17.15	17.45	18.15	18.45	19.15	19.45	20.15	20.45	21.15	21.45	22.15	22.45	23.15	23.45	24.15	24.45	25.15	25.45
Asia	15.15	15.45	16.15	16.45	17.15	17.45	18.15	18.45	19.15	19.45	20.15	20.45	21.15	21.45	22.15	22.45	23.15	23.45	24.15	24.45	25.15	25.45	26.15	26.45
Africa	16.15	16.45	17.15	17.45	18.15	18.45	19.15	19.45	20.15	20.45	21.15	21.45	22.15	22.45	23.15	23.45	24.15	24.45	25.15	25.45	26.15	26.45	27.15	27.45

VOICE OF AMERICA

Hours of GMT	0000	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	2400
Western Europe	12.15	12.45	13.15	13.45	14.15	14.45	15.15	15.45	16.15	16.45	17.15	17.45	18.15	18.45	19.15	19.45	20.15	20.45	21.15	21.45	22.15	22.45	23.15	23.45
Eastern Europe	13.15	13.45	14.15	14.45	15.15	15.45	16.15	16.45	17.15	17.45	18.15	18.45	19.15	19.45	20.15	20.45	21.15	21.45	22.15	22.45	23.15	23.45	24.15	24.45
South America	14.15	14.45	15.15	15.45	16.15	16.45	17.15	17.45	18.15	18.45	19.15	19.45	20.15	20.45	21.15	21.45	22.15	22.45	23.15	23.45	24.15	24.45	25.15	25.45
Asia	15.15	15.45	16.15	16.45	17.15	17.45	18.15	18.45	19.15	19.45	20.15	20.45	21.15	21.45	22.15	22.45	23.15	23.45	24.15	24.45	25.15	25.45	26.15	26.45
Africa	16.15	16.45	17.15	17.45	18.15	18.45	19.15	19.45	20.15	20.45	21.15	21.45	22.15	22.45	23.15	23.45	24.15	24.45	25.15	25.45	26.15	26.45	27.15	27.45

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on	off											
0600-0700	Mon-Fri	31	1625	49	5995		0600-0700	Mon-Fri	25	1195		
41	41740	19	15225	19	15025		31	8090	19	12510		
41	7125	16	12625	16	13725		25	11775	19	12510		
31	9740											
25	11825	2000-2100		Middle East			1900-2000		1700-1800			
1900-2000	49	5995	0600-0700	Mon-Fri	19	15025		19	15260	16	17660	
41	7130	16	17825	16	17640		16	17820		1765		

SPORTS

Dolphins, Jets, Redskins Victors in NFL Playoffs

Compiled by Our Staff From Dispatches

MIAMI — With David Woodley throwing for two touchdowns and running for a third, the National Football League Miami Dolphins routed the San Diego Chargers, 34-13, here Sunday to reach the American Conference title game.

The Dolphins earned the right to host the New York Jets next Sunday, the Jets defeated the Los Angeles Raiders on Saturday in the other AFC semifinal.

Washington, a victor over Minnesota, will be at home to the winner of Sunday night's Green Bay-Dallas NFC semifinal.

Woodley converted two first-half turnovers into TD passes of 3 yards to Nat Moore and 6 yards to Ronnie Lee before the Dolphins turned to their league-leading defense for their fifth straight triumph.

Uwe von Schamann added field goals of 24 and 23 yards and Andre Franklin scored on a 3-yard run as Miami took a 27-13 halftime lead. Woodley added a 4-yard TD run early in the fourth period and Miami's swarming defense then forced the most prolific passing attack in NFL history.

But San Diego, which set a record by averaging 326 passing yards per game in 1982, was blanked over the last 30 minutes. Dan Fouts, who rattled the Dolphins for 433 yards in a 41-38 playoff victory last year, had a 28-yard scoring pass to Charlie Joiner but was intercepted five times. Chuck Muncie scored San Diego's only TD on a 1-yard run late in the opening half.

The Dolphins (9-2) held San Diego scoreless in the third period before Woodley capped a 62-yard drive with his 4-yard quarterback draw 42 seconds into the fourth period. The 7-4 Chargers were seeking their third straight AFC title game appearance.

The Jets (8-3) lost both of their 1982 encounters with Miami — 45-28 in New York in the season opener and 20-19 here a month ago on von Schamann's field goal in the closing seconds.

Jets 17, Raiders 14

In Los Angeles, the Raiders beat the New York Jets, 17-14, as Richard Todd's 45-yard pass to Wesley Walker set up a 1-yard scoring plunge by Scott Dierking with 3:45 remaining.

Walker, who caught seven passes for 169 yards, got open deep over the middle and Todd was right on target.

Dierking scored on the next play.

"It was a simple play — he just sprang by everybody," Todd said of Walker. "They were challenging us to throw on them, and with receivers like Wesley Walker you have to take a chance and go for the end zone."

"We knew we were up against one of the better teams in the league and one of the best teams we've faced this year, if not the best team," said Tom Flores, the Raiders coach. "We knew we had to play our best football and not have any turnovers." Each team committed five turnovers.

Todd completed 15 of 24 passes for 277 yards on the afternoon, and linebacker Lance Mehl had two key interceptions for New York in the waning moments.

The Jets took a 7-0 lead on a 20-yard pass from Todd to Walker with 3:52 remaining in the first period to climax an 80-yard, 10-play drive. They made it 10-0 with 2:55 left in the half on a 30-yard field goal by Pat Leahy.

But the Raiders drove 77 yards to make it 10-7, Marcus Allen scoring a 4-yard run. Los Angeles took a 14-10 lead on a 57-yard pass from Plunkett to Malcolm Barnwell with 1:14 left in the third period.

The Raiders threatened to extend the lead early in the fourth quarter until New York defensive end Joe Klecko recovered a fumble by Allen at the Jet 14.

But with 15 seconds to go, and the Raiders with the ball at the New York 34, Plunkett hit Branch at the Jet 18. It seemed that Branch would be able to get out of bounds, stopping the clock for a field goal attempt, but Kirk Springs belted the Los Angeles receiver and the ball popped into the air. New York's Jerry Holmes grabbed it near the sideline to end the threat.

Redskins 21, Vikings 7

In Washington, John Riggins thundered through Minnesota's de-

fense for 185 yards and a touchdown and set up two scoring passes by Joe Theismann as the Redskins beat the Vikings on Saturday, 21-7.

Riggins carried 37 times, one short of the NFL playoff record. Theismann completed 17 of 23 passes for 213 yards, including touchdowns of 3 yards to tight end Don Warren and 18 yards to wide receiver Alvin Garrett.

Riggins, who a week earlier had rolled up 119 yards on 25 carries in a 31-7 first-round rump over Detroit, was virtually unstoppable in the first half. He gained 75 yards on 19 rushes as the Redskins opened a 21-7 lead.

Said Redskin guard Russ Grimm: "The line wanted to block for John because of some of the things the Minnesota players had said earlier in the week. They said we were big and slow. We took that as a challenge."

Two of Riggins' yards came on a scoring plunge on a fourth-and-inches situation for Washington's second touchdown with a minute remaining in the opening period. The Vikings, who had the ball for less than two minutes up to that time, then scored when Ted Brown swept around left end for 18 yards.

Theismann, who had hit Warren with a scoring strike to cap a 66-yard drive with the opening kickoff, followed Minnesota's touchdown 1:57 into the second quarter by driving the "Skins 70 yards in eight plays for their third touchdown. He began it with an 11-yard pass to Garrett and completed it with the 18-yarder to the 5-foot-7, 178-pound wide receiver.

In the second half the Vikings tried to maintain possession on fourth-down plays. On a fourth-and-6 at the Washington 29, Tommy Kramer's pass to Sam McCullum in the end zone was batted away by a leaping Joe Lavender.

Washington took over and methodically pushed deep into Minnesota territory, stalling at the 12-yard line. Mark Moseley, who had missed wide to the left on a 47-yard field goal attempt just before halftime, kicked an apparent 29-yarder. But the field goal was nullified on a penalty.

With 10:23 to play the Vikings faced a fourth-and-7 on the Washington 15. Kramer, passing out of a shotgun formation, was sacked by defensive end Tony McGee, killing Minnesota's final serious threat.

East 26, West 25

In Stanford, California, quarterback Tony Eason combined with Illinois teammate Oliver Williams on three fourth-period completions to rally the East to a 26-25 victory over the West in Saturday's 59th Shrine Game. Eason completed a 44-yard pass to Oliver that set up a 12-yard touchdown run by Kelvin Bryant of North Carolina and then hit Williams on throws of 29 and 6 yards — the latter for the winning score with 14 seconds to play.

Quarterback John Elway of Stanford completed 21 of 34 passes for 202 yards while steering the West to a 25-14 lead after three periods.

East Wins Hula Bowl

In Honolulu, Pittsburgh quarterback Dan Marino passed for 156 yards and one touchdown to lead the East to a 30-14 victory over the West in Saturday's Hula Bowl game. The East recovered three West fumbles, scoring on all three.



French fullback Serge Blanco, gathering in the ball with Huw Davies in close pursuit.

France Beats England, 19-15

By Bob Donahue

International Herald Tribune

LONDON — French rugby Captain Jean-Pierre Rives lost the toss but won the game, and now it is France instead of England that looks most likely to win the Five Nations championship this year.

On that, England's players, officials and commentators agreed after the French won here Saturday, 19-15, scoring three tries. All England's points were kicked.

"The reason we score tries is because we can't kick," Rives half-joked Saturday night. But English admiration was outspoken.

"That was an unstoppable try as I've ever seen," said Captain Steve Smith of the second one, scored from the back of a lineout by 34-year-old Robert Paparomborde, a six-foot, 230-pound prop.

The ball was thrown in long to No. 8 Jean-Luc Joliet, who tapped it down as Paparomborde trundled past him to turn the corner and plow forward with the rest of the pack instantly regrouped and showing behind him.

It was dry under foot, but a bad day for placekickers. New flyhalf Didier Camberabero missed repeatedly for France. But so, as Smith pointed out fairly, did England's veteran fullback, Dusty Hare, who later said he preferred to play away rather than at home at Twickenham, because of the London stadium's puzzling wind patterns.

Saturday the west-southwesterly wind in the corners and gusts in varying angles at various heights, although the general effect was to strongly favor the team with the wind at its back. That was England in the first half, since Rives had lost the toss.

After Camberabero's long drop gave the visitors a brief lead, two penalty goals by Hare and a drop by flyhalf Les Cusworth made it 9-3 at halftime. The margin looked slim now that France would have the wind for its last 40-odd minutes. Besides, Paparomborde's pack was already ascendant.

To make matters worse, England's most valuable forward, lock Maurice Colclough, limped off after one minute of the second half on his way to knee surgery Saturday night.

French Coach Jacques Fouroux saw that as a turning point. England's three remaining adversaries, starting with Wales in Cardiff on Feb. 5, are presumably relieved to learn that Colclough is out for the season.

But "in any case the French were the better side," said Smith. They proved it, after Bob Hesford came on for Colclough, by

pulling up three tries between the second half's tenth and the twentieth minutes.

Joliet launched the first one from the back of a scrum, drawing England's first line of defense and sending flanker Laurent Rodriguez barging ahead to release the French backs. Instantaneous passes put new left wing Patrick Esteve across in the corner. Fullback Serge Blanco converted.

Blanco also converted Paparomborde's try, putting England behind, 15-9.

The English forwards stormed downfield. Rives and company stormed right back.

New lock Jean Condom won a lineout. Blanco erupted into attack and passed acrobatically as he was tackled. New right wing Philippe Sella snatched the ball off his boot-laces and hurtled across in the corner. Blanco missed the conversion.

Past English teams might have collapsed at that point, but this one recovered with strong pressure that frittered away the French lead. Yet when the forwards had done their job and left French defenders frantically out of position, English backs usually lost the ball.

Two more Hare penalties were all Smith's men could provide a home crowd that roared its support until Irish referee David Burnett called it a day.

There was another acrobatic contribution from Blanco, when he leaped up to block a penalty attempt just as Hare's shot seemed about to hit the crossbar. Burnett, who decided to call a knock-on and

award England a scrum under the bar, said he had never seen anyone try that before. "Blanco," said Smith, "is a genius."

Ireland Edges Scotland, 15-13

In Edinburgh, Ireland built up a 15-4 lead with the help of a strong wind in the first half, then hung on against the wind to edge Scotland Saturday, 15-13.

Irish flyhalf Ollie Campbell, with eleven points from a conversion and three penalties, was about par for the course on his way toward the Five Nations record of 46 points that he set in 1980 and equaled last year.

Scottish center Jim Renwick kicked a drop and new fullback Peter Dods, replacing the injured Andy Irvine, kicked two penalties. But Dods missed an early conversion and again with a late penalty when the Scots were closing in and when his kick could have won them the game.

Each side managed a try. Scotland's came early in the second quarter from the new captain, Roy Laidlaw, who ran wide from a scrum and beat veteran Irish flanker Fergus Slattery to the line.

Ireland replied before halftime when center Mike Kiernan beat Dods to the ball after left wing Moss Finn burst through the middle and kicked ahead.

It was the first time since 1976 that both traveling teams won on opening day. Ireland's next match will be at home on Feb. 19 against the other opening-day winner, France. The Scots meanwhile play France in Paris on Feb. 5, when Ireland will be idle.

Kronbichler Triumphs In World Cup Slalom

United Press International

SCHRONS, Austria — Anni Kronbichler of Austria won her first World Cup ski race Sunday. She captured a slalom event after a superb second run for a total time of one minute, 38.35 seconds. Maria-Rosa Quario of Italy and Margorata Talika of Poland tied for second with identical totals of 1:38.54.

Kronbichler, 19, was the first Austrian winner of a slalom race since Annemarie Moser-Proell won in Piancaavallo, Italy, in 1979. She combined two perfect runs through a total of 111 gates, while Dorotea Talika, Margorata's twin sister, came fourth in 1:38.95.

Kronbichler overcame terrible weather conditions and a tricky course that forced many of the world's best women skiers to retire. Heavy snowfalls and pervasive fog led organizers to cancel a women's downhill race Sunday.

Each of those who had finished in the top three positions in the three World Cup slaloms held earlier in the season dropped out, including Erika Hess, Pernine Pelen, Tamara McKinney and Christin Cooper. Hanni Wenzel fell on the second run after clocking the second-best time at the intermediate point.

The race had to be interrupted

several times during the first run because storms and wind speeds of up to 130 kilometers an hour (80 mph) made skiing almost impossible.

Men's Races Canceled

In Wengen, Switzerland, the men's downhill and slalom races scheduled for Saturday and Sunday were canceled because of poor weather. The downhill is rescheduled for Friday in Kitzbühel, Austria, and the slalom later in Garmisch-Partenkirchen, West Germany.

WOMEN'S SLALOM

1. Anni Kronbichler, Austria, 1:38.35.
2. Maria-Rosa Quario, Italy, 1:38.54.
3. Margorata Talika, Poland, 1:38.54.
4. Dorotea Talika, Poland, 1:38.95.
5. Roswitha Steiner, Austria, 1:39.07.
6. Gitta Cherwall, Czechoslovakia, 1:40.22.
7. Alexandra Maccubbin, Czechoslovakia, 1:40.78.
8. Pernine Pelen, France, 1:40.89.
9. Patsy Ashworth, Austria, 1:41.28.
10. Maria Eder, West Germany, 1:41.30.
11. Lorenz Fries, Italy, 1:41.45.
12. Ina Loeckert, Austria, 1:41.47.
13. Petra Wenzel, Liechtenstein, 1:41.47.
14. Anja Zavadov, Yugoslavia, 1:42.08.
15. Silvia Eder, Austria, 1:42.14.

WORLD CUP STANDINGS

1. Erika Hess, Switzerland, 125 points.
2. Tamara McKinney, U.S., 117.
3. Hanni Wenzel, Liechtenstein, 111.
4. Irene Eder, West Germany, 78.
5. Christin Cooper, United States, 67.
6. Kronbichler and Maria Eder, 62.
7. Elisabeth Kirschner, Austria, 40.
8. Doris de Agostini, Switzerland, 32.
9. Pernine Pelen, France, and Elisabeth Chaud, France, 48.

FRIDAY'S RESULTS

EAST

1. Erika Hess, Switzerland, 1:25.00.
2. Tamara McKinney, U.S., 1:25.00.
3. Hanni Wenzel, Liechtenstein, 1:25.00.
4. Irene Eder, West Germany, 1:25.00.
5. Christin Cooper, United States, 1:25.00.
6. Kronbichler and Maria Eder, 1:25.00.
7. Elisabeth Kirschner, Austria, 1:25.00.
8. Doris de Agostini, Switzerland, 1:25.00.
9. Pernine Pelen, France, and Elisabeth Chaud, France, 1:25.00.

WEST

1. Erika Hess, Switzerland, 1:25.00.
2. Tamara McKinney, U.S., 1:25.00.
3. Hanni Wenzel, Liechtenstein, 1:25.00.
4. Irene Eder, West Germany, 1:25.00.
5. Christin Cooper, United States, 1:25.00.
6. Kronbichler and Maria Eder, 1:25.00.
7. Elisabeth Kirschner, Austria, 1:25.00.
8. Doris de Agostini, Switzerland, 1:25.00.
9. Pernine Pelen, France, and Elisabeth Chaud, France, 1:25.00.

SATURDAY'S RESULTS

EAST

1. Erika Hess, Switzerland, 1:25.00.
2. Tamara McKinney, U.S., 1:25.00.
3. Hanni Wenzel, Liechtenstein, 1:25.00.
4. Irene Eder, West Germany, 1:25.00.
5. Christin Cooper, United States, 1:25.00.
6. Kronbichler and Maria Eder, 1:25.00.
7. Elisabeth Kirschner, Austria, 1:25.00.
8. Doris de Agostini, Switzerland, 1:25.00.
9. Pernine Pelen, France, and Elisabeth Chaud, France, 1:25.00.

WEST

1. Erika Hess, Switzerland, 1:25.00.
2. Tamara McKinney, U.S., 1:25.00.
3. Hanni Wenzel, Liechtenstein, 1:25.00.
4. Irene Eder, West Germany, 1:25.00.
5. Christin Cooper, United States, 1:25.00.
6. Kronbichler and Maria Eder, 1:25.00.
7. Elisabeth Kirschner, Austria, 1:25.00.
8. Doris de Agostini, Switzerland, 1:25.00.
9. Pernine Pelen, France, and Elisabeth Chaud, France, 1:25.00.

U.S. College Basketball Scores

FRIDAY'S RESULTS

EAST

1. Columbia 68, Dartmouth 41.
2. Cornell 64, Dartmouth 57.
3. George Washington 58, Temple 54.
4. Georgetown 74, Connecticut 51.
5. Holy Cross 82, Colgate 67.
6. Xavier 77, Villanova 67.
7. Villanova 76, Providence 61.

SOUTH

1. Auburn 75, Kentucky 67.
2. Duke 84, Maryland 64.
3. Georgia 67, Alabama 64.
4. James Madison 63, Old Dominion 52.
5. Louisiana 51, Mississippi 48.
6. Marshall 71, Citadel 70.
7. Mississippi 73, Tennessee 70 (OT).
8. North Carolina 101, Virginia 55.

WEST

1. Arizona 81, Washington 64.
2. Brigham Young 86, Hawaii 62.
3. New Los Angeles 56, Fresno 51.
4. New Reno 73, Idaho 54 (OT).
5. Pepperdine 62, U.S. International 70.
6. Southern Cal 65, Oregon 54.
7. UCLA 79, Oregon 77.

Riggins Weighs In, Bows Out

By Dave Kindred

Washington Post Service

WASHINGTON — Handsome as the night is long, smiling in the sunlight of a day he'll love always, John Riggins took his helmet off at midfield and with a flourish bowed deeply — his arm across his waist — first to the folks on the south side of RFK Stadium and then, spinning, to those on the north side.

The 54,000 or so screaming meemies loved it as much as Riggins did.

Paint a picture of the moment (get the blotch of mud on his cheek, leave the grass stains the jersey, remember that his pants were ripped, a pad pecking out on his thigh). Then hang the picture somewhere important, like in Fig Alley where the hallowed hogs hang out.

Hang it high and shine a light on No. 44 as he raises a hand to wave his thanks in return.

Riggins ran with the ball 37 times on Saturday. No Redskin ever carried so often. He gained 185 yards, much of them in the gritty little-bitty chunks that caused some RFK customers to blow diesel-truck horns in appreciation. No Redskin ever ran so far in a playoff game. Riggins never ran so far as a pro.

He made the Redskins' first touchdown possible and scored the second on a two-yard run of brutal beauty. When it got to be 21-7, Riggins had carried the ball 20 more times to stush away the victory.

He had for an old man of 33, a veritable antique in a business where running backs age years in hours. In Riggins' 11th season, he's never been older. The joy is he knows it. He knew it 10 days ago when he went to Coach Joe Gibbs.

It was an extraordinary thing Riggins did there. Whatever anyone ever said of Riggins — he wore a Mohawk haircut with the New York Jets, he sat out a year arguing money with the Redskins — they never said he didn't love the moment of combat.

So right before the first playoff game, after resting a thigh two games, Riggins went to Gibbs' locker room. "He came right to me," Gibbs said, "and he just said, 'I'm really getting down the road, I don't have many of these left. I've been out two weeks and I'm ready. Give me the ball.'"

And with a minute to play against the Vikings, Gibbs, who knew he had seen something special, sent in a substitute so that Riggins could come off to the standing ovation he earned. Oliver as Hamlet never earned a bow on stage any more than Riggins earned Saturday, and as time ticked away Riggins walked the sidelines, holding his helmet, trading hand slaps with people as happy as he was.

With a hundred reporters wanting to talk to him, Riggins stayed in character — Riggins playing Riggins, a fascinating role. He picked up his lunking boots, sent a man to get his saddlebags and clothes (an army surplus camouflage outfit) and beat it out of the stadium, saying nothing to the press.

He walked through the parking lot, 15 minutes after his bows, and a woman ran to him. She took off her shoe; Riggins autographed it. Fans who think of Riggins as an 18-wheeler irresistible force draped a banner over his car: "Ram on Diesel Power, High Octane."

Riggins stashed his saddlebags in the car trunk (no briefcase for a man who once rode his motorcycle from Kansas to Washington) and then took a beer from his hometown buddies waiting to tell him, as one did, "Best game ever. John. High school, college, pro, anywhere. Best."

Riggins sipped at the beer, threw back a swig of tequila and, before driving away, said to his buddy, "Hey."

Riggins won't talk to reporters because (and this is a guess because he has never explained it) he didn't like what the newspapers said during his contract squabble with the Redskins two years ago. Two requests Saturday — "Can we talk about the bows, John?" — were met with only a stare.

So much to ask him. Instead, ask around about him. Doug Martin, the Vikings' defensive end: "A Sherman tank."

George Starke, the Redskins' veteran tackle: "John is a living representation of an old Hank Williams song — 'hard-drinkin', 'hard-fightin'', ornery. That's what makes him a good runner."



John Riggins, exiting "Hey."

SPORTS BRIEFS

Falcons Dismiss Bennett as Coach

ATLANTA (UPI) — The Atlanta Falcons have dismissed Leeman Bennett as head coach. Bennett spent six years at the helm of the Falcons and was the most successful of the five men to coach the National Football League club in its 17-year history.

Bennett, a former Los Angeles Ram assistant, took over in 1977 following three straight losing seasons for the Falcons. His regular-season record was 46-41 with three playoff teams. But the Falcons lost their last three games this season, including a playoff game to Minnesota.

2 Indoor Records Set in Ottawa

OTTAWA (UPI) — Billy Olson posted a world indoor pole vault record of 18 feet, 10 1/4 inches (5.75 meters) on Friday and Jane Finch of England set a world record in the women's 800-meter race in two minutes, 3.6 seconds at the Ottawa International Games.

Finch's standard for an A-class side track beat the old mark of 2:05.8 set by Leann Warren at the 1982 Ottawa games. Olson, an American, needed only five attempts at three different heights before crasing his own world mark of 18 feet, 10 inches, set last year in New York.

4 Share Lead in Los Angeles Golf

LOS ANGELES (AP) — Gil Morgan shot an 8-under-par 63 that included a hole-in-one to share the lead after Saturday's third round of the Los Angeles Open golf tournament. At 202 with Morgan were Mark McCumber (a 65 Saturday), Lanny Wadkins (67) and Gene Littler (66). Morgan's ace, on the 173-yard seventh hole, came on a 5-iron shot.

George Archer, who made the 36-hole cut by a single stroke, had a third-round 61 to tie three others at 203 — Arnold Palmer (a 68), first-round leader Fuzzy Zoeller (69) and second-round leader Gibby Gilbert (71). Tom Watson was at 204, while Lon Hinkle, J.C. Snead, Andy North and Keith Fergus were at 206.

King vs. Walsh in Classics Final

SANTA ROSA, California (AP) — Billie Jean King won the first three games en route to a 6-4, 6-4 victory over Rosie Casals, and Sharon Walsh upset Wendy Turnbull, 6-2, 4-6, 6-4, in Saturday's semifinals of the inaugural tournament in the Women's Tennis Classics.

On Friday Casals defeated Francoise Durr, 6-4, 3-6, 6-1, and King beat Betty Stove, 6-3, 6-4. The new event, which ends Sunday, is for women players over 30.

Drug Case Ends; Gerulaitis Cleared

NEW YORK (UPI) — Tony Goble, the man convicted in a narcotics case in which the tennis star Vitas Gerulaitis was named, has been sentenced to a year in jail.

Goble was convicted last September of conspiring to purchase cocaine for \$144,000. The trial was highlighted by the testimony of a prosecution witness who named Gerulaitis as a possible participant in the scheme.

Undercover narcotics agents testified that they began following Gerulaitis last January. Defense witnesses said the agents tried unsuccessfully to set up Gerulaitis for a narcotics deal, and that the tennis star was not charged.

NBA Standings

Eastern Conference

Team	W	L	Pct.	GB
Philadelphia	31	5	.861	—
Boston	28	9	.757	3 1/2
New York	25	14	.641	7 1/2
Detroit	17	22	.434	15 1/2
New Jersey	13	26	.333	19 1/2

Central Division

Team	W	L	Pct.	GB
Minneapolis	34	3	.917	—
Atlanta	18	19	.486	7 1/2
Detroit	19	21	.475	7 1/2
Chicago	13	24	.351	12
Indiana	12	24	.333	13 1/2
Cleveland	6	30	.167	19 1/2

Western Conference

Team	W	L	Pct.	GB
San Antonio	34	3	.917	—
San Diego	21	15	.583	2 1/2
Denver	19	21	.475	4 1/2
Seattle	15	25	.375	8 1/2

LANGUAGE

A Horde of Dangers

By William Safire

WASHINGTON — In a piece about the way the French were slowly squeezing Japanese imports through a small town near Tours, thereby protecting French markets from the influx of videotape recorders, I drew a parallel to the battle of Poitiers in 1337, where Charles the Hammer protected Europe by "driving back the Moslem hordes."

In the Columbia Encyclopedia that moment of defeat for the Saracens is described as "turned the Moslem tide." I wish I had used "tide" because *horde* is surely pejorative and should not be used to describe a religion even when its members are assembled in large crowds.

"Perhaps you were merely making use of an archaic phrase to conjure up a feeling for the period of the eighth century," writes James Zogby of the American-Arab Anti-Discrimination Committee, giving me the benefit of the doubt, then adding the zinger: "Would you be inclined to use the phrase 'Jewish hordes' in reference to the invaders of Lebanon? Or the 'Christian hordes' which stormed the beaches of Normandy?"

His right: *Horde* is a word with a history of treating opposing sides with contempt. It is used in the Turkish *ordu*, meaning "camp," and picked up in a Polish before entering English.

I will now drop *hordes* from my military vocabulary, using the word in its current "great assembly" sense, as in "hordes of shoppers returning Christmas presents" and "hordes of irate pupils demanding an end to the teaching of grammar."

BE A linguistic hawkshaw; follow a strange phrase to its roots.

"For years I have used an expression," writes Nancy Montgomery of Washington, "to describe a strange combination of people, objects or events, calling it a *duke's mixture*. It never occurred to me that this was a phrase not in every one's vocabulary until my new assistant asked me what it meant."

Where to begin? One hypothesis would be that a *duke's mixture* is a blend of tea, similar to the *foochow mixture* which first introduced the mixture combining form in 1895.

Blind alley. Look at all the dic-

tionaries, push all the buttons, and nothing comes up.

Second hypothesis: *Dukes* is a slang term for hands, as in the boxer's challenge to "put up your dukes." Could not the *duke's mixture* be a tossing together from the dukes, or hands? No. Try again.

Hypothesis No. 3: James Buchanan Duke, after whom Duke University is named (Trinity College was willing to change its name for \$40 million). The father of Duke Duke, he made his fortune in tobacco. He and his American Tobacco Co. acquired such firms as P. Lorillard and R.J. Reynolds to set up the "tobacco trust" until Theodore Roosevelt busted it into four companies in 1911. Did James Duke have a tobacco mixture that died long ago but whose ghost lingers in the language?

Jackpot. The Duke is James Duke. When the terms of research are working for the Dictionary of American Regional English asked, "What do you call a dog of mixed breed?" two people in Oklahoma, one in California, one in Iowa and one in Wisconsin replied: "A duke's mixture." (Others said *mutt*, *mongrel*, *pot-ticker*, *pot-hound*, *mutt-hound*, *spit-hound*, *bone eater*, *biscuit eater*, *cur and suck-egg dog*.)

"Duke's mixture" was once very popular as a tobacco mixture for use in "rolling one's own" cigarettes," reports Fred Cassidy, director-editor of DARE. "It came in a small white cloth bag with a drawing and was advertised with cowboys on horseback rolling cigarettes with one hand. This was part of a campaign to make cigarettes seem a masculine type of smoke."

"Used most generally, a *duke's mixture* can mean any sort of miscellany," concludes Professor Cassidy, "with somewhat unfavorable implications. I doubt that *Duke's mixture* is still made nowadays. The Marlboro he-man smokes a manufactured cigarette."

Thus, fellow hawkshaws, do blind alleys and cockamamie hypotheses lead to the sources of our expressions. (OK, to avoid hordes of lazy curiosity-seekers: *Hawkshaw* was the name of the detective in an 1863 play by the English dramatist Tom Taylor, and was popularized in the United States by cartoonist Gus Mager in the comic strip "Hawkshaw the Detective.")

New York Times Service

On the Trail of a Nigerian Pop Star

By Jason Berry

PARIS — People who write biographies, to paraphrase F. Scott Fitzgerald, "are not like you and me." They devote long stretches of their lives to reconstructing the lives of others, they search through files of yellowed newspaper and old letters, prod memories of those close to the subject. If the person about whom the book is written still breathes (and isn't hostile to the project) long sessions with the tape recorder mean longer days turning transcripts into prose.

In the case of Carlos Moore, the subject of his book, "Fela Fela: This Bitch of Life," is a most uncommon man. Moore, a black Cuban who defected from a job in the Castro government in 1960, is a Paris-based journalist who has written extensively about Africa. He was working in Nigeria in the late 1970s when he met Fela Anikulapo-Kuti, the country's best-known pop star.

Fela is an outspoken critic whose albums since 1977 form a running revolutionary protest about political events in Nigeria. He is also a practicing polygamist. The chapter euphemistically titled "My Second Marriage" recounts his 1978 wedding to 27 women in a single marriage service.

When Moore first approached Fela about the book, the musician balked. "He didn't want certain things said," Moore recalled. "But then he called Moore."

Fela's mother, Funmilayo Anikulapo-Kuti, was a pioneering leftist who played an instrumental role in securing political rights for Nigerian women. In 1977, when soldiers of the military regime then ruling Nigeria raided Fela's home, she was thrown out of a window and died soon thereafter from the injuries. By the time Moore had completed much research in 1981, he was disillusioned by Fela's resistance. Then, Fela says, Funmilayo began communicating with him in a series of spirit visitations through one of his wives. Fela opened up to Moore and the rush of reflections turned into a torrent.

"It is a purely spiritual book," Moore says, "and charged with meaning about his future. He had to depend on my discretion."



Fela sometimes appears with "spiritual powder."

Moore interviewed the musician's childhood friends, political figures, even people with the Nigerian secret police. The emphasis is on Fela, however, and as such the book will disappoint serious followers of African pop music, still waiting for the first book on the many idioms that have flourished since the early 1960s.

In the introduction Moore writes: "Where does one pinpoint the critical moment of raw truth about someone so immensely charismatic that at times he finds himself hemmed in between the flattering image of his countless fans and the scornful depiction of his detractors?"

The author devised a three-dimensional narrative through Fela (as he sees and explains himself), about Fela (as he is seen by those closest to him) and on Fela (as seen by the author).

Fela's personality — by turns humorous, sentimental, political-

ly impassioned, abrasively macho — resonates through each page. A series of interviews with 15 wives runs the gamut from sadness (his original wife) to bizarre comedy (a later bride discussing the complicated sexual scheduling).

Several of the girls gravitated to Fela as teen-agers from troubled backgrounds. Their reflections will probably outrage feminists. "At first," one says, "I just took him as a father or as an older person who would take care of me. Then later, he sent for me and he said I should love him. It was after making love that I started to love him."

In the mid-70s, as Nigeria emerged from the Biafran secessionist civil war, Fela grew increasingly critical of the military government. He had also become a cult figure and folk hero, particularly among the masses of poor people moving into Lagos. His

home was a compound in one of the city's ghettos. In 1977 troops attacked the compound, clubbed Fela senseless, beat his "queens," and raped several. The attack, as recounted by Fela but more so by his wives, has a searing impact in the book. One year later, Fela married his "queens."

The rigid masculine code by which Fela lives emerges from the narrative less as an expression of his ego than in response to his familial and cultural background. His mother, whose influence was strong, got along poorly with his father, a stern Christian educator who whipped him often. Fela's deeper story, a riveting cultural theme, is rooted in the heritage of Yorubaland.

Although not overtly stated, his polygamous unions are a protest of the encroachment of Western values and a defiant retreat from his father's religion to Yoruban traditions. Polygamy is an ancient tribal custom. Fela's religious beliefs are absorbing qualities which add depth to the man and his music.

Yoruban polytheistic beliefs enhance spiritual visitations by departed kinsmen. Moore himself is of Yoruban descent, and his historical sketch of Yorubaland gives the book a sturdy framework. Shawna Moore, Carlos's wife, wrote early and concluding chapters from the point of view of Fela's mother, a spirit looking back on life.

Moore wrote the main narrative in Fela's voice. This extended-family approach to literary architecture has few precedents, but Moore has credentials: a doctorate in ethnology, fluency in four languages, and a history of Cuban involvement in Africa due out later this year. "Fela Fela" was first published in French, but Moore bought back the rights after a dispute with his Paris publisher over distribution in Africa. Allison & Busby of London has published the English edition, now available in Nigeria.

Moore is dead serious about the spiritualized, running theme of "Fela Fela." "I believe Africa is the last bastion of spirituality. The essence of man is spiritual, not material, or advanced weapons. If Africa is not preserved — the cradle of mankind — I don't see what else is left."

TAIWAN POSTCARD

The Pirates of Taipei

By Michael Weisskopf

Washington Post Service

TAIPEI — Past the steamy noodle stalls and pungent herbal medicines at China Street bazaar, a sleek "Apple II" home computer can be had for one-fifth of its price in the United States.

Keep walking down the musty market lanes and you can find unbelievably low prices for designer jeans, French cologne, epicurean braids, Book-of-the-Month Club favorites, bikinis and motor oil — all courtesy of the pirates of Taiwan.

The cut-rate goods are fakes knocked off by commercial big game hunters who plunder the world's elite trademarks, patented know-how and copyrights.

If imitation is the sincerest form of flattery, then Taiwan surely scales the peaks of blamery. Counterfeiting is so widespread and slick it takes an expert to detect a fraud. Thus consumers gladly lay out at least two-thirds less for names such as Puma, Reebok, Cartier, Head, Johnny Walker, Black Label, Kodak, Samsonite, STP, Johnson and Johnson, Westinghouse and Herman Weber.

"There isn't a legal pair of Levi's in town," snapped a U.S. businessman, Henry Weiner. "The fakes are so close, and the prices so far apart, you'd have to be nuts to buy the real thing."

Weiner ought to know. As local distributor for Revlon products, he has only to make a casual visit to a neighborhood cosmetic counter to ruin his day.

But the real lost treasure lies far beyond the shores of little Taiwan. What makes big foreign firms such as Revlon see red — Weiner calls it "the annual \$100 million rip-off" — is piratical exports of the famous frauds made here.

Take the dilemma of Union Carbide's Eveready battery, which is copied and sent abroad by the millions by no less than seven Taiwan impostors.

"No one in Africa and the Middle East understands counterfeiting," lamented Union Carbide lawyer Paul Hsu. "If a fake Eveready goes bad in an hour, the buyer never buys another one. So my client loses a market share. But if the fake happens to work, we still lose."

Though quality is no hallmark, some counterfeiters — clothing,

cosmetics made of simple mixtures, books and chemical products described in published patents — are almost indistinguishable from the original.

David Lo, a private investigator who chases down pirates for corporate victims, held up two bottles of VO 5 shampoo with a challenge: "Which one is real?"

"The bottle is the same," he replied to his own question. "The smell is the same. They make the same suds. Only your hairdresser can tell."

Even such expensive items as the cloned Apple II computers are less reliable and durable than the true model, according to Apple's salesmen here. The fakes can only be used for a couple of hours at a time without risking a meltdown, he said.

When electronic copycats began taking a sizable bite out of Apple's Asian market, the U.S. firm struck back with a court order seizing several imitations.

But legal experts know the difficulty of rooting out pirates from Taiwan's safe harbor. Laws are weak, if they exist at all. Judges tend to side with "the little guy" against faceless multinational corporations.

Even counterfeiter caught red-handed receive such light sentences that they can convert them into small fines.

New Taiwan's government, which has encouraged economic development with unfettered capitalism, finally seems ready to pull in its sails a little. A number of laws are being considered to deter piracy and better protect foreign manufacturers. One proposal would set a maximum five-year jail term and \$400,000 fine for convicted counterfeiters.

"This [piracy] is not only illegal, but immoral," said Vincent Stew, director general of the Board of Foreign Trade Development. "It will be bad for our trade development. When we develop into a developed stage, and other countries come to copy our products, what will be our feeling?"

Until new laws go into effect, however, the big-name companies seem unhappily resigned to the feeling summed up by one of their representatives.

"If you don't get copied in Taiwan," he said, "then it means you're no good."

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